

Registered number 03959429

**accesso Technology Group plc**  
**(formerly Lo-Q plc)**

**2013 Annual report and financial statements**

**accesso Technology Group plc (formerly Lo-Q plc)**

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for financial period ended 31 December 2013**

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**accesso Technology Group plc (formerly Lo-Q plc)**

**Company information  
for financial period ended 31 December 2013**

**Directors:** John Weston, Non-executive Chairman  
John Alder, Executive  
Anthony Bone, Non-executive  
Steve Brown, Executive  
Tom Burnet, Executive  
Matt Cooper, Non-executive  
David Gammon, Non-executive  
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## accesso Technology Group plc (formerly Lo-Q plc)

### Introduction and key financial highlights for financial period ended 31 December 2013

accesso Technology Group plc (**AIM: ACSO**), the premier technology solutions provider to the global attractions and leisure industry, announces audited preliminary results for the 14 months ending 31 December 2013. The results demonstrate strong double-digit growth across our key financial metrics, the continued global sales momentum across our expanded product suite and the broadening of our capabilities into new markets and new geographies.

As previously announced, the group has changed its accounting reference date to 31 December in order to better align the group's year end with those of its major customers and with the sector in general. As such the group is today announcing actual audited results for the 14 months ending 31 December 2013; audited results for the 12 months ended 4 November 2012 and is presenting unaudited pro-forma results for the 12 months ended 3 November 2013.

#### Financial Highlights

	<b>14 months 31 December 2013 (audited)</b>	<b>12 months 3 November 2013 (unaudited pro-forma)</b>	<b>Period 4 November 2012 (audited)</b>	<b>Comparative pro-forma period to 2012</b>
	£m	£m	£m	
Revenue	<b>39.6</b>	37.7	29.1	+29.6%
Adjusted operating profit *	<b>3.9</b>	4.7	3.1	+51.6%
Profit after tax**	<b>2.0</b>	2.9	2.5	
Cash from operating activities less capital expenditure	<b>1.6</b>	2.3	1.2	+91.6%
Net (debt)/ cash	<b>(1.2)</b>	3.6	8.9	
Net assets	<b>23.9</b>	20.9	12.4	+£8.5m
Earnings per share – basic (pence)	<b>10.23</b>	15.15	14.6	+3.7%
Adjusted Earnings per share – basic (pence)***	<b>15.8</b>	19.2	14.6	+31.5%

\*Adjusted operating profit is defined as operating profit before the deduction of amortization related to acquisitions and acquisition costs.

\*\* Assumes estimated effective rate of tax of 16% for the pro-forma period.

\*\*\* Adjusted for costs of amortization related to acquisitions and acquisition costs and the estimated impact on tax of these adjustments.

#### A period of strong growth – adding skills, complementary services and reach to our operations

- Earnings accretive acquisitions of accesso, LLC. and Siriusware, Inc.. - strengthening our technology platform, expanding our capabilities and providing direct access into new leisure industry verticals
- Completed senior level changes to further align the business for long term growth – ensuring we have the right people focusing on the right geographies with the right skills
- Changed name to accesso Technology Group – better reflecting the group's expanded capabilities and expertise

#### accesso LoQueue<sub>SM</sub> – evidenced increased momentum with new and existing customers and winning across our product set to take more and more guests out of queue lines

- Extended our relationships with key customers, securing Qbot extension at Dollywood and leveraging our Qband product to expand our work with a major US theme park operator
- Continued traction with Qband, winning mandates at Palace Entertainments' Raging Waters, Dollywood's Splash Country and Camelbeach Mountain Waterpark

#### accesso Passport® – won mandates across ticketing, mobile and eCommerce driving attraction attendance and increasing engagement

- Landmark agreement signed between accesso and with AAA – The Auto Club Group South in the US which sees Passport become the club's exclusive eCommerce ticketing solutions platform
- Palace Entertainments, utilizing both Qband and the accesso Passport eCommerce platform

**Introduction and key financial highlights  
for financial period ended 31 December 2013 (continued)**

**Post-Period End Highlights**

- Three year agreement with Holiday World & Splashin' Safari to provide *accesso Passport* eCommerce platform—first attraction to leverage integration with Siriusware Salespoint Solution already installed
- Agreement with Premier Parks LLC to install *accesso Passport* ticketing suite's eCommerce solution at Wet 'n' Wild Phoenix and Wet 'n' Wild Hawaii - Premier now using *accesso Passport* solutions across entire estate
- Three year agreement with Delaware North Companies Parks & Resorts at KSC, Inc. to provide eCommerce and mobile ticketing support to the world-renowned Kennedy Space Center Visitor Complex
- Siriusware has signed new agreements with iFLY Virginia Beach, Jasper Tramway Acquisition Corporation, African Lion Safari & Game Farm LTD., Holocaust Museum Houston and the National Aquarium in Baltimore
- Renewal of our agreements with Heide Park in Germany, part of Merlin Entertainments Group, Blackpool Pleasure Beach and with Dreamworld in Australia
- First win for *accesso Passport* in Europe with the signing of a three year contract with Compagnies Des Alpes to install the solution at five parks in Holland and Belgium
- Memorandum of Understanding ("MOU") signed for first the *Qsmart* installation in Asia at The Movie Animation Park Studios in Ipoh, Malaysia

**Chairman's report  
for financial period ended 31 December 2013**

**A record period**

Today's results are evidence of an excellent and transformative period for accesso. We have made great strides in implementing our growth strategy and it is gratifying to see our newly enlarged team working so cohesively together, delivering on the opportunities we see.

The group has delivered a strong financial performance, with good organic growth in our queuing business supplemented by new growth made possible by the acquisition of accesso, LLC. in December 2012. Pleasingly, our performance continues to be driven by both new standalone mandates across each of our business areas as well as deeper penetration, cross selling and upselling of the full offering within new and existing sites.

Over the operating season a number of parks across our estate experienced record-breaking days in respect of both queuing and ticketing solution uptake. Our participative revenue models ensured that this resulted in good revenue growth across our increased geographic footprint.

We have also delivered on a number of important operational and strategic milestones, with joint wins for our ticketing and queuing products, as well as extending and deepening relationships with a number of the very largest operators in our space, such as Palace Entertainments. Such wins send a clear signal to other operators about the increasingly strategic nature and value of our solutions.

**Our team**

During the period, the accesso product development and operational teams have continued to work hard and increasingly closely together to generate today's strong results. Their work, and that of all our staff, has contributed to this excellent performance. I thank all of our colleagues for their energy, enthusiasm and innovative spirit. It is a real asset to our group which I and the entire Board are thankful for.

**Building for the future**

On 5 December 2012, we announced the transformational acquisition of accesso, LLC.: a leading US ticketing and eCommerce company. This was a significant milestone for the business, evidenced by contract momentum and subsequent joint wins for our queuing and ticketing products.

On 5 December 2013, we announced the acquisition of Siriusware, Inc., which marked another important day for our team. The acquisition strengthens our existing product offering, takes us into new markets, new geographies and extends our reach to new verticals particularly the snow sports and cultural sector. Bringing the Siriusware and accesso teams together aligns two highly complementary product offerings, further establishing the opportunity to build a trusted, proven and supplier of scale across multiple Leisure markets. I look forward to reporting our progress in this endeavour in the coming months.

We are already evidencing sales progress and, post-period-end, have announced that Holiday World & Splashin' Safari will be installing accesso's leading eCommerce platform making it the first attraction to integrate accesso technology with Siriusware Salespoint Solution, already providing comprehensive point of sale system for both the theme park and water park.

Adding these two strong businesses to our world-class technology platform propels us even further ahead with our goal of being the leading and most innovative supplier of technology solutions to the leisure and attractions industry. In total we serve eight of the world's top theme park groups and, as we continue to grow our reputation, we believe this will help us to further deepen our relationships with more and more attraction owners and operators globally.

**Looking ahead**

With our expanded technology offering, new parks yet to install and operate, new markets from which to derive additional opportunities, our dedicated and expanded team will have much to focus on in 2014. I am confident they will maintain that focus in a period which promises greater opportunity for the enlarged group. I am also confident that we can continue to generate premium growth from our operations as the goal of improving guest experiences in order to increase revenue becomes ever more strategic to the major players in the industry we serve.

**John Weston  
Non-Executive Chairman**

## **accesso Technology Group plc (formerly Lo-Q plc)**

### **Chief executive officer's report for financial period ended 31 December 2013**

#### **Financial Review**

As our Chairman has stated, this is an excellent set of results for accesso.

The group delivered growth of 51.6% in adjusted operating profit for the 12 months **unaudited** pro-forma period ended 3 November 2013 ('2013 pro-forma period') against our 12 months ended 4 November 2012 and performed comfortably ahead of market expectations for the year.

The adjusted operating profit for the 14 months ended 31 December 2013 was £3.9m (2013 pro-forma period: £4.7m and 2012: £3.1m). The statutory operating profit for the 14 months ended 31 December 2013 was £2.4m; the reduction against the 12 months ended 4 November 2012 reflects the costs of acquisition incurred during the year of £0.5m, the amortisation of the newly acquired intangible assets and the typical seasonality experienced within the Theme Parks for the additional months of November and December. Group revenues for the 2013 pro-forma period increased by 29.6% to £37.7m (2012: £29.1m) and finished at £39.6m for the audited 14 months ended 31 December 2013.

Today's results highlight the continued resilience to our business, spread as it is across multiple geographies and increased verticals within the Leisure industry. As we continue to extend our reach, particularly into our target expansion market of Asia, and as we begin to realise the full benefits of the Siriusware acquisition we firmly believe that this resilience will strengthen further still.

Several of our key indicators have continued to show growth during the period. Average revenue per guest increased by 8.9% supported by a 2% year-on-year increase in overall park attendance. This continued growth in the appeal and adoption of our products is driven by our improved sales and marketing efforts and the continued migration of customers to premium-priced solutions.

#### **Cash**

Cash from operating activities less capital expenditure, was £2.3m for the pro-forma 12 month period which was 91.6% higher than 2012.

Our closing net debt balance of £1.2m is better than our expectations, after accounting for the funds discharged in connection with the acquisitions and the board believes that the company is in a strong financial position at the period end.

#### **New Banking Facility**

As previously announced, in February 2013 we successfully negotiated a new dollar denominated, banking arrangement with Lloyds Bank. This facility was further extended in December 2013 to support the Siriusware acquisition and allows the group to draw down up to £8.5m. The terms of this facility offers agreed rates of 1.5% above LIBOR on drawings up to £5m (this tranche is due to expire in December 2017) and 2% above LIBOR on drawings above £5m (this tranche is due to expire in December 2015). The agreed rate on uncommitted funds is 0.6% and 0.8% on the respective elements. The total available for drawdown is subject to annual step downs of £2m on 3 December of 2014, 2015, 2016 and is fully repayable in February 2017.

#### **Reporting Currency**

The group is currently reviewing its functional currency in line with the respective accounting standard (IAS 21) and depending on the outcome of this review may report future consolidated results in United States Dollars.

#### **Tax**

The tax charge for the period of £0.2m benefitted substantially relating to deductions on the amortization of intangibles, non-reversing tax deductions in the UK and US relating to employee share option exercises and revised prior period research and development claims.

#### **Intellectual Property and Research & Development**

A key strength and foundation of our business is the wide-ranging portfolio of patents and IP innovations upon which our product set is established. The group remains committed both to the protection of this portfolio as well as the extension of it where appropriate.

As in previous periods, we have acquired additional patents that allow us to continue to differentiate our offering, enhance the group's capabilities and extend our technological leadership within the leisure and attractions industry. As such, the group

## **accesso Technology Group plc (formerly Lo-Q plc)**

### **Chief executive officer's report for financial period ended 31 December 2013 (continued)**

is also committed to defending our investments in IP from infringement. Finally, as demonstrated last period with the signing of the group first IP licensing agreement for one of our patent families, we continue to explore opportunities of licensing of our IP where appropriate and advantageous.

Our commitment to invest in technology is unchanged and total research and development expenditure, excluding patents, within the enlarged group was £1.6m in the period (2012: £0.85m) of which 64% was capitalised (2012: 48%), with this % increase representing the resources specifically allocated to accelerate the development of our eCommerce platforms.

#### **Dividend**

The board maintains its view that the payment of a dividend is unlikely in the short to medium term with cash better invested in product development, complementary M&A as demonstrated by the accesso and Siriusware acquisitions and other growth focused investment opportunities.

#### **Operational Review**

At the heart of the **accesso** strategy is a plan to deliver sustainable growth through both organic and acquisitive means. In this period we have delivered convincingly on this plan. Operationally, this has been a very exciting time for our team and we have made good progress in each of our focus areas for growth. We have secured new customers, certain of which are some of the largest operators in our space. We have delivered combined wins for queuing and ticketing offerings: something we knew would be a strong growth opportunity when the two businesses came together. We have also deepened our relationships with existing customers, extending some of our longest-standing relationships further in to the future.

#### **A new chapter**

Effective from 12 November 2013, the group has been operating under our new name: accesso Technology Group plc and at the same time rebranded the technology portfolio to provide consistent marketing across our technology offerings. The name change reflects the company's expanded capabilities and expertise gained when it acquired the privately-held ticketing technology and e-commerce firm accesso, LLC. in late 2012. The new name better encompasses the core capabilities of the enlarged group and better reflects the future growth ambitions of the business as a whole.

#### **accesso LoQueue**

The group's patented virtual queuing solutions are now marketed under the accesso LoQueue umbrella. We have seen good growth in queuing revenues across the accesso LoQueue portfolio during 2013.

We remain extremely excited by the potential for our smartphone-based solutions. During the period we successfully rolled out Qsmart, our smartphone-based, hosted, queuing solution. Qsmart is now operational in three parks globally and there are a number of other operators, new and existing, who are very interested in the opportunity it presents. Walibi Holland, one of the Netherlands' leading theme parks was the first European park to adopt Qsmart back in October 2012. Installed in time for the important Halloween 2012 weekend, the park saw a significant and encouraging improvement in sales for the equivalent weekend in 2013.

As global smartphone adoption continues to accelerate we are well placed to ride this trend, keeping pace with the technological evolution as we continue to update and enhance our smartphone-based queuing solution. With guests visiting parks and now expecting to use their smartphone to add to and enhance their experience, we continue to be excited about the prospects for Qsmart within our traditional customers as well as the opportunity to deploy our smartphone technology to single line attractions. Importantly, all of our new customer enquiries are focusing on Qsmart rather than our proprietary Qbot device.

Regular followers of our story will know that our greatest success in 2012 was the launch of Qband – our award-winning water park queuing solution. The momentum of this product has continued into 2013, with five new parks signed up and live in this financial period. Qband is not just an exciting standalone product, but it also continues to serve as a key means through which we can deepen our penetration into existing customer accounts. For example, during the period Qband was installed at Raging Waters, San Dimas, extending our relationship with Palace Entertainment as well as securing a five year agreement with Camelbeach Mountain Waterpark: Pennsylvania's largest water park.

Qband has also enabled us to continue expanding some of our long-standing relationships. During 2013, we extended the relationship with Herschend Family Entertainment Group which owns, operates or manages 26 family-oriented theme parks and attractions across ten US states. Dollywood's Splash Country water park will also utilise our Qband product for an initial three year period. In addition, the Group's Dollywood theme park, Tennessee's most ticketed tourist attraction entertaining more than two million visitors per year, extended its existing installation of Qbot until 2015.



## **accesso Technology Group plc (formerly Lo-Q plc)**

### **Chief executive officer's report for financial period ended 31 December 2013 (continued)**

In 2012, we announced an exciting agreement with a major North American operator to install Qbot at two of its parks in the USA. Pleasingly we have been able to extend this relationship during 2013 expanding our agreement to include the installation of our Qband product at the operator's US water park which is the third park we now serve within this group.

In addition, we established a new relationship with Village Roadshow Theme Parks, which installed Qband at Wet'n'Wild Las Vegas for a five year period.

Finally, we were also awarded a number of contract renewals further highlighting the strength of our technology offerings and confidence our customers have in our solutions. During 2013, we renewed contracts with Blackpool Pleasure Beach, and post-period end we were able to renew our agreement with Heide Park in Germany, part of Merlin Entertainments Group and finally with Dreamworld in Australia. Both Blackpool Pleasure Beach and Dreamworld operate Qsmart alongside Qbot and have had excellent early customer adoption to the smart phone product.

#### ***accesso Passport***

The group's ticketing, mobile and eCommerce solutions continue to be marketed under the accesso Passport umbrella and each has evidenced a strong performance in the period. During 2013 we have proven the power of the entire product suite, deepened our relationships with customers, driven attraction attendance and increased visitor engagement. Pleasingly, ticketing volumes were up more than 15 per cent in the period, and, proving the power and increasing adoption of our mobile solutions, mobile ticketing volumes increased by more than 475 per cent.

Earlier this year the group signed an important agreement with AAA – The Auto Club Group South in the US. This agreement sees accesso Passport deployed as the club's exclusive eCommerce ticketing solutions provider. One of the largest AAA club's in North America, The Auto Club Group South has approximately 8.8 million members across eleven states. This represents a significant win for the group, running for a four year period and highlighting the strength and scale of accesso's offering, particularly in North America.

In addition to this platform win, we added seven new venues to the accesso Passport portfolio during the period including eCommerce for Gilroy Gardens, Ocean Breeze Water Park and Rapid Water Park and accesso Mobile apps for four additional International Speedway Corporation tracks.

Further to this, we achieved another important milestone in January 2013 winning an agreement with Palace Entertainments, the largest operator of water parks in the United States and operating a total of 40 attractions in North America, to install products from both accesso LoQueue and accesso Passport ranges. As a result Qband was installed at Raging Waters, California's largest water park and Noah's Ark, the largest water park in the US, began utilising accesso Passport online ticketing. Excitingly, this win now means that Palace Entertainments has installed accesso Passport solutions at all 18 of its theme parks and water parks across North America.

#### ***Post-period end***

Post-period end, new business momentum has continued as operators once again start to look at areas of investment in order to enhance visitor experience for the 2014 season.

At the beginning of this current financial period, the group signed a new business agreement with Premier Parks, LLC to provide online ticketing and eCommerce support for two Wet 'n' Wild water parks in North America. In addition to nine other leisure venues operated by Premier, the accesso Passport ticketing suite's eCommerce solution is now also being leveraged at its newest sites; Wet 'n' Wild Phoenix and Wet 'n' Wild Hawaii. In addition, last year the group signed a five year agreement with Wet 'n' Wild Phoenix to install the accesso LoQueue Qband solution. This new contract also expands this existing relationship with the park as well as deepening the strong affiliation with Premier.

Post-period end, we also announced a three year agreement with Delaware North Companies Parks & Resorts at KSC, Inc. to provide eCommerce and mobile ticketing support to the world-renowned Kennedy Space Center Visitor Complex.

During the first part of this financial period, we have also signed a three year Memorandum of Understanding ("MOU") for our first Qsmart installation in Asia at The Movie Animation Park Studios in Ipoh, Malaysia. This is a very exciting agreement for us as we begin to forge deeper ties with attractions in the important Asian market and also evidences the value of our agreement with Sanderson Group in the region.

**Chief executive officer's report  
for financial period ended 31 December 2013 (continued)**

We are also delighted to have been able to announce our first ticketing win in Europe. We have signed a three year agreement with Compagnies des Alpes ("CDA") to provide the accesso Passport eCommerce solution for five CDA parks in Belgium and Holland. A key part of the strategic rationale underpinning the accesso acquisition was the opportunity to leverage existing European relationships to generate agreements across our product lines and this agreement is evidence that this is now coming to life: in 2012 the group signed a three year agreement with CDA to install Qsmart at Walibi Holland, one of the Netherlands' top theme parks and this new agreement builds on that existing relationship to include accesso Passport. Not only will accesso's eCommerce solution be installed at Walibi Holland alongside the Qsmart system, CDA will also deploy the technology at Walibi Belgium, Bellewaerde Park, Aqualibi Belgium, and Dolfinarium.

Finally, as early evidence of the cross-selling opportunities Siriusware brings to the group, in February 2014 we announced a three year agreement with Holiday World & Splashin' Safari to provide those attractions with the accesso Passport eCommerce platform. Holiday World represents the first installation now integrating both accesso and Siriusware solutions. Elsewhere Siriusware have maintained good sales momentum with a number of new customers signed up post period end.

**Staying ahead**

Technology is at the heart of what we do and we have continued to invest in further refining and improving our offering.

The clearest evidence of this is in the constant evolutions we make to our existing products which include enhancing capabilities, improving power management, and increasing flexibility. Each of our products is a part of a broad portfolio and the linkages between them are becoming more important particularly as we widen the scope of our offering beyond theme parks and water parks. For example, during the year we have updated our award-winning Qband system to incorporate an improved RFID chip to allow broader integration with other systems. We have also improved the display and installed a new checkpoint scanner to reduce overall installation cost.

For our original handheld queuing device, Qbot, we have developed additional functionality to allow parks to offer a wider variety of price packages and attraction bundles to their customers. In addition, we have added features which allow devices to be registered anywhere in the park, not just upon entry. This additional capability means that our in-park sales teams have more opportunities to sell Qbot solutions by seeking out guests anywhere in the park including those already standing in line.

At the same time, work on our eCommerce solution has also been completed during 2013 and the early part of 2014 and we have recently launched the 5th version of our Shopland ecommerce store. The new system delivers a fully responsive, seamless buying experience across any device be it desktop, a tablet or a smartphone. These improvements to usability and accessibility across multiple devices are a development thread that binds all our solutions together.

We have also been working on the natural evolution of our Qsmart platform – to create a platform to enable a queueless theme park – which is possible for the first time since the arrival of the smartphone. The technology has been under development since the summer of 2013 and undergone a number of successful if limited tests in a live theme park environment. We look forward to further developing the system over the rest of 2014.

We have also looked hard at the pricing strategy of our traditional queuing product and over the 2013 season collected a great deal of data to allow us to more clearly evaluate strategies for 2014. As a result we are going into the coming season with a simplified pricing approach and which we hope will lead to deeper sales penetration and an improved in park experience for guests. So far, we have seen an excellent response to this simplified approach.

**An enlarged, experienced team**

We have completed a number of organisational changes during the period. The senior team that joined at the time of the accesso, LLC. acquisition is now fully integrated into the wider business. In addition, we are benefiting from the skills and experience of the strong team that joined us from Siriusware.

In order that we continue to provide opportunities for our people and in keeping with our intention to cultivate a one firm approach, I am extremely pleased that we have extended our staff stock option schemes across the group – now in excess of 160 full time employees. We have received very positive feedback about the scheme and remain committed to creating an environment where our people are proud to work.

## **accesso Technology Group plc (formerly Lo-Q plc)**

### **Chief executive officer's report for financial period ended 31 December 2013 (continued)**

#### **Extending our reach**

Expanding the group's geographic reach remains an important part of the accesso strategy. During the period, we have continued to focus efforts on the Asian market place, the fastest-growing theme and water park market globally.

In September 2012 we announced our partnership with Sanderson Group: an Australian multi-national corporation with over 23 years' experience in delivering high quality, themed tourist attractions.

Our efforts in Asia are beginning to bear fruit as we continue to forge strong relationships with attraction operators in the region. During the 2013 we signed our first ever agreement with Village Roadshow Theme Parks: Australia's largest theme park operator and another strategic partner of Sanderson Group, to install our Qband technology at Village Roadshow's Wet'n'Wild properties in Las Vegas and Phoenix.

We are also delighted to be announcing the signing of an MOU confirming the first Asian customer for Qsmart at The Movie Animation Park Studios in Ipoh, Malaysia, due to open in 2015. The pipeline of new business has been developing well across the region and relocating a senior member of our team to Malaysia has certainly given this added momentum.

#### **Positioning our business for the future**

At the heart of its strategic ambition, the board's vision is to build a trusted and proven technology supplier of increasing scale across multiple Leisure markets. It is this ambition that led the group to the immediately earnings accretive acquisitions of accesso, LLC. on 4 December 2012 and, exactly one year later, Siriusware, Inc.. on 4 December 2013.

The acquisition of accesso, LLC. brings together two highly complementary businesses with extremely synergistic technologies. The combination of our established queuing business, with the ticketing and eCommerce capabilities of accesso, LLC. presents an excellent opportunity for the enlarged group to further defend and deepen existing client relationships. It also opens up an important strategic bridgehead into adjacent Leisure verticals, such as zoos and cultural attractions, and enhances our ability to develop new products, particularly in mobile.

The addition of Siriusware adds another new dimension. Based in the US, Siriusware offers a fully integrated suite of software and hardware solutions and professional services to the leisure industry. It adds value to our firm in a number of ways, taking us in to new markets, new geographies and further strengthens our already world-class technology platform. Importantly, not only does the acquisition strengthen accesso's penetration in existing verticals, such as amusement parks and waterparks, it also provides the group with direct access into new verticals, in particular the ski and snow sports sector and cultural attractions.

The Board firmly believes that both acquisitions will enable the group to deliver even more value to current and future customers by working together to further expand our innovative solutions. These acquisitions align likeminded teams and highly complementary product offerings. We are still at a relatively early stage in the integration progress, but as recent announcements have highlighted, we have already begun to evidence sales synergies we outlined as part of the transaction.

#### **Summary and Outlook for 2014**

To summarise, 2013 was another successful year for accesso. We have delivered double-digit growth across our key financial metrics and evidenced an excellent operational performance across our expanded product set.

As we move into 2014, I am particularly encouraged by the opportunities opening up to cross sell our enlarged technological offerings and by those opportunities in the Asian market as well as the strong uptake and development of our mobile solutions. Across the globe, people are becoming more and more technology literate and guests are now visiting attractions and expecting to use their smartphone to add to and enhance their experience. As global smartphone adoption continues to accelerate we are well placed to capture the next level of growth across our ticketing and queuing business.

Looking ahead, I am once again excited by the prospects for 2014 for our enlarged group and have great confidence in the abilities of our expanded team.

**Tom Burnet**  
**Chief Executive Officer**

## **accesso Technology Group plc (formerly Lo-Q plc)**

### **The board of directors for financial period ended 31 December 2013**

#### **John Weston, Non-executive Chairman**

John Weston is the former Chief Executive of British Aerospace and BAE Systems where he served from 1998 to 2002, when it was a £12.5 billion business employing more than 120,000.

Today in addition to serving as chairman for the premiere technology solutions provider to the attractions and leisure industry, he chairs several other companies: MB Aerospace, a supplier of machined engine components to the aero-engine industry; Fibercore, a manufacturer of specialty optical fibers; and Torotrak plc, developers in the commercial application of gearless traction drive technology.

Weston joined accesso in May 2011 and serves as a member of the company's audit and remuneration committees.

#### **John Alder, Chief Financial Officer**

John Alder is a Chartered Accountant who qualified with Coopers and Lybrand (PricewaterhouseCoopers). He subsequently held Finance Director and Controller positions in quoted and private pan-European businesses. Prior to joining accesso, Alder spent 4 years as European Controller and Interim Finance Director of private equity backed Palletways Group Limited, supporting the Continental European development of Europe's largest and fastest growing palletized freight network business.

He was appointed Chief Financial Officer of the Company in August 2009.

#### **Anthony Bone, Non-executive Director**

Tony Bone spent more than 30 years in the IT industry. He spent 20 years with International Computers Limited (ICL) the large UK computer hardware, computer software and computer services company responsible for hardware design, software design, consultancy and general management.

He was one of the founder directors of the OSI Group, the Management Consultancy which specialized in program and project management, and IT. Bone now acts as an investor in, and non-executive director in, a number of companies. Bone joined accesso in 2001, and in addition to normal board duties, provides advice in product strategy and development to the company, along with serving on the audit committee, and chairing the remuneration committee.

#### **Steve Brown, Chief Operating Officer - North America**

As Chief Operating Officer – North America and Europe at accesso, Steve Brown leads the day-to-day operations throughout North America and Europe.

Like many attractions industry veterans, Brown's early theme park career began during college as an hourly employee at the Walt Disney World Resort in Orlando. After a break to pursue his MBA, he returned to Disney where he held a variety of roles with increasing responsibility in financial planning and pricing strategy including development of revised multi-day admission offerings to incorporate the opening of Disney's Animal Kingdom. In 1999, Brown was named Director, Walt Disney World Ticketing where he led all aspects of the Resort's ticketing process across its nine gated attractions including pricing strategy, fulfillment operations, training and financial management.

In 2002 he was named Vice President, Revenue Management for the Disneyland Resort in Anaheim, California. Brown successfully drove dramatic growth in park admissions and hotel revenues through significant changes to strategic and promotional pricing, the introduction of new ticket options and by leveraging technology to expand sales distribution channels. In this broad based executive role, he held primary financial accountability for the Resort's hotel and ticket revenues, led all promotional and strategic pricing efforts, and managed the attendance forecasting and visitation research functions. In 2005 his role was expanded to encompass line-of-business responsibility for the Disneyland Annual Passholder program including acquisition and renewal marketing, passholder experience optimization, CRM and pricing strategy. Brown's contributions were key to the Disneyland Resort's 2005-2006 record financial performance during the celebration of the landmark attraction's 50th anniversary.

Prior to joining accesso, Brown served as the corporate Vice President of Ticket Strategy and Sales for Six Flags. While at Six Flags, he led a 220 person sales force responsible for driving nearly 35% of the company's admissions revenue. Brown championed an overhaul of the company's eCommerce process, which doubled the already significant online sales and established Six Flags' national partnerships with major distributors including Expedia, Travelocity, Best Buy Reward Zone and Costco. He led a comprehensive, research based review of the company's ticket pricing and developed the strategic plan for 2007 price adjustments across the company's North American theme parks and water parks. The implementation of this plan contributed significantly to 2007 attendance growth and the company's positive cash flow results for the first time in its history.

## **accesso Technology Group plc (formerly Lo-Q plc)**

### **The board of directors (continued) for financial period ended 31 December 2013**

#### **Steve Brown, Chief Operating Officer - North America (continued)**

Brown received his MBA from the Goizueta Business School at Emory University in Atlanta and graduated with a BS in Marketing from the University of South Florida in Tampa.

#### **Tom Burnet, Chief Executive Officer**

Tom Burnet joined accesso as the CEO in late 2010 and is responsible for the company's leadership, strategic direction and growth.

Burnet has a passion for technology and relishes the opportunity to solidify accesso's position as the premier technology solutions provider for the theme park and attractions industry. Burnet has taken a less traditional path into the theme park and attractions industry. Previously he served as Managing Director for a division of Serco Group plc, a global outsourcing company, overseeing the 5000 person Defence Services division.

He also has been involved in creating, growing and running several businesses and started his career as the UK's youngest Army Officer. He also has an MBA.

Armed with a model that's regional, scalable and operationally leveragable, he believes accesso can grow to become a billion-dollar business and a cornerstone of the industry's supply chain.

#### **Matt Cooper, Non-executive Director**

Matt Cooper is the chairman of Octopus Capital Limited and Octopus Investments Limited. He also serves as Executive Chairman of AIM-listed Imaginatik plc, and also holds further directorships at both private and public companies and of consumer body, Which? Financial.

Prior to joining Octopus, Cooper was the principal managing director of Capital One Bank (Europe) plc where he was responsible for all aspects of the company's strategic direction and day-to-day operations in Europe. He led the UK portion of the business from start-up to two million customers, generating revenues of over £275 million and employing more than 2,000 employees.

Cooper joined accesso in September 2012 and is Chairman of the audit committee and a member of the remuneration committee.

#### **David Gammon, Non-executive Director**

David Gammon has widespread experience in developing and building technology based businesses. Since 2001, Gammon has focused on finding, advising and investing in UK technology companies. Gammon founded Rockspring, an advisory and investment firm, which focuses on early stage technology companies and where Gammon continues as CEO today. Other current positions include non-executive directorships at Imaginatik plc and Frontier Developments plc. He is Group Strategic Advisor to Marshall of Cambridge (Holdings) Limited.

Previous experience includes NED and advisor at artificial general intelligence company DeepMind Technologies Limited, advisor to Hawkwood Capital LLP, NED at real time location technology specialist Ubisense Trading Limited, NED at internet TV specialist Amino Technologies plc, NED at smart metering and software company BGlobal plc and acting CFO at internet specialist Envisional Solutions Limited. Earlier in his career David worked as an investment banker for over 15 years.

#### **Leonard Sim, Founding Director**

Leonard Sim is the inventor of accesso's LoQueue virtual queuing system, which was conceived while he ran Tellurian, a sales agency in data communication devices and software. Previously, Sim ran technical sales teams for Rockwell Semiconductor and Ferranti Semiconductor after a period as an electronics engineer at Plessey Radar. He gained an Honours Electronic Engineering degree from Heriot-Watt University, Edinburgh in 1971.

Sim's responsibilities include business development, strategic planning, product marketing and managing the engineering team.

**Strategic report  
for financial period ended 31 December 2013**

**Review of Business**

The results for the period and financial position of the company and the group are as shown in the annexed financial statements and explained in the Chairman's report and Chief Executive Officer's statement.

**Principal risks and key performance indicators**

The board has identified the principal risks and uncertainties which it believes may impact the group and its operations as well as a number of key performance indicators with which to measure the progress of the group.

***Principal risks and uncertainties***

In line with groups of a similar size, the group is managed by a limited number of key personnel, including executive directors and senior management, who have significant experience within the group and the sectors it operates within and who could be difficult to replace. Executive remuneration plans, incorporating long-term incentives, have been implemented to mitigate this risk.

A key risk relates to the high concentration of revenue derived from particular customers or guests of particular theme parks groups. The group continues to increase its operating parks, including the introduction of additional park operators by introducing new technologies and extending its geographical presence. In addition the group continues to seek appropriate complimentary acquisitions to reduce reliance on specific customers, sectors or geographies.

The group has a very seasonal business with revenue and cash flows predominantly linked to leisure venue attendance which, with the current profile of business, peak in the summer months. Attendance at leisure venues can be impacted by circumstances outside the control of the group including inclement weather, consumer spending capability within the regions we operate together with operator venue pricing, discount policies, investment capability, safety record and marketing.

A significant proportion of revenues of the business are denominated in US dollars. Although the majority of expenditure is also denominated in this currency, there remains an exposure to movements between sterling and US dollars. This exposure is managed via entering into appropriate forward contracts.

It is of fundamental importance in maintaining a sustainable long-term business that the group is aware and takes action to mitigate competitive threats, whether from technological change, or from competition. Effort is directed to ensure that the group invests in appropriate and focused research and development activity and monitors technological advances and competitor activity. Linked to this, the group is committed to protecting its technology by the development and, or purchase of patents and will take appropriate action to defend its intellectual property rights or ensure infringers are licensed.

***Key performance indicators***

Key performance indicators are used to measure and control both financial and operational performance. Guest attendance, revenues, margins, costs and cash are trended to ensure plans are on track and corrective actions taken where necessary. Product development performance is also monitored and tracked through measurement against agreed milestones. In addition, further key performance indicators include the number of parks where our technology is implemented, the proportion of guests that utilise our products and the sales mix of services offered.

***Risk management and internal control***

The board is satisfied that the group's risk management and internal control systems are adequate. At this stage the board do not consider it to be appropriate to establish an internal audit function.

**On behalf of the board:**

**John Alder  
Chief Financial Officer**

24 March 2014

## **accesso Technology Group plc (formerly Lo-Q plc)**

### **Report of the directors for financial period ended 31 December 2013**

The directors present their report with the financial statements of the company and the group for the fourteen month financial period ended 31 December 2013.

#### **Dividends**

No dividends will be proposed for the financial period ended 31 December 2013.

#### **Research and development**

The group's research and development activities relate to the development of virtual queuing technologies, by applying state of the art communications and information technology. During the financial period ended 31 December 2013 the group invested £1,595,905 (2012 – £849,313) into research and development.

#### **Directors**

The directors during the period under review were:

John Weston, Non-executive Chairman  
John Alder, Executive  
Anthony Bone, Non-executive  
Steve Brown, Executive (appointed 4 December 2012)  
Tom Burnet, Executive  
Matt Cooper, Non-executive  
David Gammon, Non-executive  
Leonard Sim, Executive

The company paid for sufficient directors and officer's indemnity insurance during the period, and to the date of approval of these financial statements, to enable the directors to carry out their duties.

The beneficial interests of the directors holding office on 31 December 2013 in the issued share capital of the company were as follows:

<b>Ordinary share capital £0.01 shares</b>	<b>As at 31 December 2013</b>	<b>As at 4 November 2012 or date of appointment</b>
John Weston, Non-executive Chairman	55,700	55,700
John Alder, Executive	6,612	6,612
Anthony Bone, Non-executive	201,517	381,517
Steve Brown, Executive	1,723,916	-
Tom Burnet, Executive	-	-
Matt Cooper, Non-executive	22,442	-
David Gammon, Non-executive	38,000	38,000
Leonard Sim, Executive	2,043,575	2,493,575

Details of the directors' share options are disclosed on page 19.

#### **Financial instruments**

Details of the group's financial risk management objectives and policies, including the use of financial instruments, are included within the accounting policies in Note 2 to the financial statements.

## **accesso Technology Group plc (formerly Lo-Q plc)**

### **Report of the directors (continued) for financial period ended 31 December 2013**

#### **Substantial shareholdings**

As at 18 March 2014 the company had been notified that the following were interested in 3% or more of the ordinary share capital of the company.

	<b>Number of Ordinary Shares</b>	<b>% of Issued Ordinary Share Capital</b>
BlackRock Investment Management	2,056,545	10.18%
Prudential plc group of companies	1,551,640	7.68%
FIL Limited	1,215,338	6.02%
Standard Life Investments Limited	1,113,963	5.51%
Mr Leonard Sim, Director	2,043,575	10.12%
Mr Steve Brown, Director	1,723,916	8.53%
accesso Employee Benefit Trust (On behalf of Mr Tom Burnet, Director)	853,818	4.23%

#### **Annual general meeting**

The annual general meeting of the company will be held on Tuesday 27th May 2014. The notice convening the meeting is enclosed with these financial statements.

#### **Branch registration**

The company operates a branch in Germany.

#### **Corporate governance**

The company's shares are traded on the Alternative Investment Market of the London Stock Exchange. The company is not required to report on compliance with the UK Corporate Governance Code ("the Code"), the board of directors acknowledges the importance of the principles of the code and also the recommendations of the Quoted Companies Alliance in its publication "Corporate Governance Guidelines for Smaller Quoted Companies" and seeks to apply them as appropriate to the company given its nature and size.

The board of directors comprises three executive directors and four independent non-executive directors, one of whom is the chairman, on 4 December 2012 a fourth executive director was appointed. The company holds board meetings regularly throughout the year at which financial and other reports are considered. The board is responsible for formulating, reviewing and approving the group's strategy, budgets and major items of expenditure.

#### **The committees of the board**

The following committees have been established to assist the board in fulfilling its responsibilities:

##### **Audit committee**

The members of the audit committee are David Gammon, Anthony Bone, John Weston and Matt Cooper, who chairs the committee.

The committee met twice during the year to fulfil its duties. The Chairman, Chief Executive Officer, Chief Finance Officer and external auditors attended meetings by invitation.

The committee is comprised of independent non-executive directors only and its terms of reference are to promote appropriate standards of integrity, financial reporting, risk management and internal controls. This committee is responsible for overseeing the involvement of the group's auditors in the planning and review of the group's financial statements, any other formal announcements relating to the group's financial performance, for recommending the appointment and fees of its auditors, and for discussing with the auditors the findings of the audit and issues arising from the audit. It reviews the group's compliance with accounting, legal and listing requirements. It is also responsible, along with the board, for reviewing the effectiveness of the systems of internal control. The committee considers the independence and objectivity of the auditors with regard to the way in which they conduct their audit duties. The committee looks to ensure that the auditors' independence is not compromised by their undertaking of non-audit



**Report of the directors (continued)  
for financial period ended 31 December 2013**

**Audit committee (continued)**

The audit committee's recommendation is that BDO LLP be reappointed as the company's auditors and an appropriate resolution will be put before the shareholders at this year's annual general meeting.

**Remuneration committee**

The members of the remuneration committee are David Gammon, Matt Cooper, John Weston and Anthony Bone who chairs the committee.

The committee met three times during the year to fulfil its duties. The committee considers and approves specific remuneration packages for each executive director following consultation with the chairman. In accordance with guidelines set by the board, the committee determines the group's policy on remuneration of senior executives and the operation of share option schemes and the grant of options. Remuneration of non-executive directors is set by the executive directors.

It is considered that the composition and size of the board does not warrant the appointment of a nominations committee and appointments are dealt with by the board as a whole. The need to appoint such a committee is subject to review by the board.

**Going concern**

After making appropriate enquiries, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. We are confident that the group outlook for 2014 is strong and underlying this, the business continues to perform well with a strong balance sheet and cash position. For this reason, the board continue to adopt the going concern basis in preparing the accounts.

**Disabled employees**

The group's policy is one of equal opportunity in the selection, training, career development and promotion of staff. The group has a policy not to discriminate against disabled employees for those vacancies that they are able to fill and will provide facilities, equipment and training to assist any disabled persons employed.

All necessary assistance with initial training courses will be given. Once employed, a career plan will be developed so as to ensure suitable opportunities for each disabled person. Arrangements will be made, wherever possible, for re-training employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

**Employees**

The group's policy is to consult and discuss with employees, by way of meetings and through personal contact by directors and other senior executives, matters likely to affect employees' interests.

Information on matters of concern to employees is given in meetings, handouts, letters and reports, which seek to achieve a common awareness on the part of all employees on the financial and economic factors affecting the group's performance.

**Relations with shareholders**

The company and board recognise the importance of developing and maintaining good relationships with their shareholders. There have been regular dialogues with shareholders during the year including holding briefings with analysts and other investors including staff shareholders. The company also uses the annual general meeting as an opportunity to communicate with its shareholders. All directors are expected to attend the annual general meeting with the chairman of the audit, remuneration and nominations committees being available to answer shareholders' questions.

Notice of the date of the 2014 annual general meeting is included with this report. Separate resolutions on each substantially separate issue, in particular any proposal relating to the annual report and accounts, will be made at the annual general meeting.

**Report of the directors (continued)  
for financial period ended 31 December 2013**

**Relations with shareholders (continued)**

work. Non-audit/tax advisory services will always be benchmarked by management to ensure value for money, auditor objectivity and independence of advice.

**Directors' responsibilities**

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the group and company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that period. The directors are also required to prepare financial statements in accordance with the rules of the London Stock Exchange for companies trading securities on the Alternative Investment Market.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the European Union, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**Website publication**

The directors are responsible for ensuring the annual report and the financial statements are made available on a website. Financial statements are published on the company's website in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The maintenance and integrity of the company's website is the responsibility of the directors. The directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

**Statement as to disclosure of information to auditors**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**Auditors**

A resolution approving the re-appointment of BDO LLP will be proposed at the forthcoming annual general meeting.

**Remuneration committee policy**

The policy is to provide remuneration packages for executive directors which aim to attract and retain high quality executives and which link their reward to the group's performance. The committee regularly reviews the effectiveness of incentive schemes and, where considered necessary or appropriate in order to maximise shareholder value, the committee will consider updating existing scheme rules and/or implementing new schemes.

**Report of the directors (continued)**  
**for financial period ended 31 December 2013**

**Executive Directors' remuneration package**

The components of the remuneration package are base salary and benefits, bonuses, pension contributions and long-term incentive arrangements. Base salaries are reviewed by the committee annually, normally in January. The executives may also receive bonuses, depending on whether certain financial, operational or strategic objectives are met. The annual standard bonus plan for the executive directors has a maximum threshold of between 20% and 50% of base salary and exceptional bonuses are considered at the committee's discretion. The benefits packages offered include private health insurance and payments to money purchase pension schemes. Notice periods for all executive directors are set at six months.

Details of the directors' emoluments who served during the current or prior period are also set out below:

**Directors' emoluments**

	<b>2013</b>					<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>14 Months</b>					<b>12 months</b>	<b>14 Months</b>	<b>12 Months</b>
	<b>Salary</b>	<b>Fees (1)</b>	<b>Bonus</b>	<b>Other</b>	<b>Total</b>	<b>Total</b>	<b>Pension contributions</b>	
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Non - executive Directors</b>								
John Weston	-	58	-	-	<b>58</b>	50	-	-
Anthony Bone (1)	5	31	-	-	<b>36</b>	30	-	-
Matt Cooper (3)	5	31	-	-	<b>36</b>	5	-	-
David Gammon (1)	5	31	-	-	<b>36</b>	30	-	-
John Lillywhite (4)	-	-	-	-	-	25	-	-
<b>Executive Directors</b>								
John Alder (2)	170	-	69	12	<b>251</b>	181	18	15
Steve Brown (2 & 5)	184	-	68	5	<b>257</b>	-	-	-
Tom Burnet	266	-	134	1	<b>401</b>	297	23	18
Leonard Sim	68	-	11	1	<b>80</b>	94	6	6
<b>Totals</b>	<b>703</b>	<b>151</b>	<b>282</b>	<b>19</b>	<b>1,155</b>	<b>712</b>	<b>47</b>	<b>39</b>

- (1) Fee payments in respect of the services provide by Anthony Bone and David Gammon were paid to IXXI Ltd and Rockspring respectively.
- (2) John Alder and Steve Brown are US citizens and part of US healthcare programs.
- (3) Appointed 1 September 2012.
- (4) Resigned 1 September 2012.
- (5) Appointed 4 December 2012.

**Report of the directors (continued)  
for financial period ended 31 December 2013**

**Share option scheme**

The share options of the directors are set out below:

	<b>5 November 2012 or date of appointment</b>	<b>Granted/ (Exercised) in the period</b>	<b>31 December 2013</b>	<b>Exercise price</b>	<b>Date from which exercisable</b>	<b>Expiry date</b>
<b>Directors</b>						
John Alder	15,000	(15,000)	-	28.5p	30/09/2009	30/09/2018
	75,000	(35,000)	<b>40,000</b>	57.5	25/06/2010	24/06/2019
	160,000	-	<b>160,000</b>	156p (1)	10/03/2012	9/03/2021
Steve Brown	-	-	-	-	-	-
Tom Burnet	110,000	-	<b>110,000</b>	1.025p	2/12/2011	1/12/2020
Leonard Sim	100,000	(100,000)	-	25p	11/04/2009	11/04/2018
<b>Non-executive directors</b>						
John Weston	69,444	-	<b>69,444</b>	144p	18/04/2012	17/04/2021
Anthony Bone	40,000	-	<b>40,000</b>	156p	10/03/2012	9/03/2021
Matt Cooper	-	30,400	<b>30,400</b>	600p	25/04/2015	25/04/2023
David Gammon (2)	80,000	-	<b>80,000</b>	156p	10/03/2012	9/03/2021

- (1) Options may only be exercised when the share price is above £1.82.  
(2) Held by Rockspring on behalf of David Gammon.

**Exercises in the period**

On 21 February 2013, John Alder exercised options over 50,000 ordinary shares. The exercise prices of the options were 28.5p for 15,000 and 57.5p for 35,000, recording a pre-tax gain of £225,850.

On 22 July 2013, Leonard Sim exercised options over 100,000 ordinary shares. The exercise price of the options was 25.0p recording a pre-tax gain of £592,250.

**Employee benefit trust share subscription and Tom Burnet equity incentive plan**

On 10 March 2011, the remuneration committee of the board recommended, and the board approved, an incentive arrangement pursuant to which the company lent its employee benefit trust ("EBT") £1,331,956, and the EBT subscribed for 853,818 new ordinary shares of 1 penny each in the company ("New Ordinary Shares").

The EBT plan subsequently granted Tom Burnet an interest in the growth in value above a share price of £2 per share in the New Ordinary Shares. In addition the EBT granted Tom Burnet an option to acquire, in relation to half of the new ordinary shares (426,909), the EBT's interest in the value between £1.30 and £2, provided that at the date of exercise the share price is above £1.82.

The shares are registered in the name of Lo-Q (Trustees) Limited, a wholly owned subsidiary of the company. John Alder, Leonard Sim and Anthony Bone are directors of Lo-Q (Trustees) Limited.

**On behalf of the board:**

**John Alder**  
**Chief Financial Officer**  
24 March 2014

**Report of the independent auditors to the members of accesso Technology Group plc  
for the 14 month financial period ended 31 December 2013**

We have audited the financial statements of accesso Technology Group plc for the financial period ended 31 December 2013 which comprise the group statement of comprehensive income, the group and parent company statements of financial position, the group and parent company statements of cash flow, the group and parent company statements of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by European Union and, as regards the parent company financial statements, as applied in accordance with the provisions of Companies Act 2006.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

As explained more fully in the director's responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

**Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

**Opinion on financial statements**

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2013 and of the group's profit for the period then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

**Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the directors' report and strategic reports for the financial period for which the financial statements are prepared is consistent with the financial statements.

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Simon Brooker (senior statutory auditor)**

For and on behalf of  
BDO LLP, statutory auditors  
Reading, United Kingdom  
24 March 2014

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

accesso Technology Group plc (formerly Lo-Q plc)

Consolidated statement of comprehensive income  
for the 14 month financial period ended 31 December 2013

	Notes	2013 14 Months £000	2012 12 Months £000
Revenue	3	39,628	29,137
Cost of sales		<u>(25,864)</u>	<u>(22,326)</u>
<b>Gross profit</b>		<b>13,764</b>	<b>6,811</b>
Administrative expenses	5	<u>(11,393)</u>	<u>(3,717)</u>
<b>Operating profit before costs of acquisition and amortisation charges on acquired intangibles</b>		<b>3,905</b>	<b>3,094</b>
<b>Costs of acquisition</b>		<b>(539)</b>	<b>-</b>
<b>Amortisation relating to acquisitions</b>	10	<b>(995)</b>	<b>-</b>
<b>Operating profit</b>		<b>2,371</b>	<b>3,094</b>
Finance costs	6	<u>(160)</u>	<u>-</u>
Finance income	6	<u>9</u>	<u>59</u>
<b>Profit before tax</b>		<b>2,220</b>	<b>3,153</b>
Income tax	7	<u>(233)</u>	<u>(632)</u>
<b>Profit for the period</b>		<b>1,987</b>	<b>2,521</b>
<b>Other comprehensive income</b>			
Exchange differences on translating foreign operations		<u>(811)</u>	<u>(85)</u>
<b>Other comprehensive income for the period, net of tax</b>		<b>(811)</b>	<b>(85)</b>
<b>Total comprehensive income for the period</b>		<b>1,176</b>	<b>2,436</b>
Profit attributable to Owners of the parent		<u>1,987</u>	<u>2,521</u>
Total comprehensive income attributable to Owners of the parent		<u>1,176</u>	<u>2,436</u>
Earnings per share expressed in pence per share:			
Basic	9	<b>10.23</b>	14.56
Diluted	9	<b>9.89</b>	13.94

All activities of the company are classified as continuing.  
The notes on pages 27 to 60 form part of these consolidated financial statements.

**accesso Technology Group plc (formerly Lo-Q plc)**  
**Consolidated statement of financial position**

		<b>2013</b>	<b>2012</b>
<b>Registered Number : 03959429</b>	<b>Notes</b>	<b>£000</b>	<b>£000</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	10	<b>19,943</b>	1,233
Property, plant and equipment	11	<b>1,986</b>	1,450
Deferred tax assets	17	<b>3,945</b>	284
		<b>25,874</b>	2,967
<b>Current assets</b>			
Inventories	13	<b>487</b>	456
Trade and other receivables	14	<b>2,567</b>	1,033
Income tax receivables		<b>934</b>	-
Cash and cash equivalents	15	<b>3,312</b>	8,914
		<b>7,300</b>	10,403
<b>Total assets</b>		<b>33,174</b>	13,370
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	<b>3,249</b>	764
Income tax payable		<b>-</b>	206
		<b>3,249</b>	970
<b>Net current assets</b>		<b>4,051</b>	9,433
<b>Non-current liabilities</b>			
Deferred tax liabilities	17	<b>1,533</b>	43
Borrowings	18	<b>4,525</b>	-
		<b>6,058</b>	43
<b>Total liabilities</b>		<b>9,307</b>	1,013
<b>Net assets</b>		<b>23,867</b>	12,357
<b>Shareholder's equity</b>			
Called up share capital	19	<b>202</b>	175
Share premium		<b>15,930</b>	6,655
Own shares held in trust		<b>(1,332)</b>	(1,332)
Other reserves		<b>1,616</b>	584
Retained earnings		<b>8,193</b>	6,206
Translation reserve		<b>(742)</b>	69
<b>Total equity</b>		<b>23,867</b>	12,357
<b>Total shareholder's equity</b>		<b>23,867</b>	12,357

The financial statements were approved by the Board of Directors on 24 March 2014 and were signed on its behalf by:

**Tom Burnet**  
**Chief Executive Officer**

The notes on pages 27 to 60 form part of these consolidated financial statements.

**accesso Technology Group plc (formerly Lo-Q plc)**  
**Company statement of financial position**

**Registered Number: 03959429**

	Notes	<b>2013</b> <b>£000</b>	2012 £000
<b>Assets</b>			
<b>Non-current assets</b>			
Intangible assets	10	<b>1,389</b>	1,233
Property, plant and equipment	11	<b>1,259</b>	1,437
Investments	12	<b>9,011</b>	1
Deferred tax	17	<b>437</b>	284
		<b>12,096</b>	2,955
<b>Current assets</b>			
Inventories	13	<b>282</b>	177
Trade and other receivables	14	<b>13,901</b>	4,745
Tax receivable		<b>685</b>	-
Cash and cash equivalents	15	<b>1,774</b>	6,139
		<b>16,642</b>	11,061
<b>Total assets</b>		<b>28,738</b>	14,016
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	16	<b>508</b>	425
Corporation tax payable		<b>-</b>	163
		<b>508</b>	588
<b>Net current assets</b>		<b>16,134</b>	10,473
<b>Non-current liabilities</b>			
Deferred tax	17	<b>71</b>	43
Borrowings	18	<b>4,525</b>	-
		<b>4,596</b>	43
<b>Total liabilities</b>		<b>5,104</b>	631
<b>Net assets</b>		<b>23,634</b>	13,385
<b>Shareholders' equity</b>			
Called up share capital	19	<b>202</b>	175
Share premium		<b>15,930</b>	6,655
Other reserves		<b>1,076</b>	584
Retained earnings		<b>6,428</b>	5,971
Translation reserve		<b>(2)</b>	-
<b>Total equity</b>		<b>23,634</b>	13,385
<b>Total shareholders' equity</b>		<b>23,634</b>	13,385

The financial statements were approved by the Board of Directors on 24 March 2014 and were signed on its behalf by:

**Tom Burnet**  
**Chief Executive Officer**

The notes on pages 27 to 60 form part of these consolidated financial statements.



accesso Technology Group plc (formerly Lo-Q plc)

**Consolidated statement of cash flow  
for the 14 month financial period ended 31 December 2013**

	Notes	<b>2013 14 Months £000</b>	<b>2012 12 Months £000</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	24	<b>4,674</b>	4,063
Tax paid		<u><b>(1,034)</b></u>	<u>(753)</u>
Net cash from operating activities		<u><b>3,640</b></u>	<u>3,310</u>
<b>Cash flows from investing activities</b>			
Acquisition of subsidiaries, net of cash acquired	10	<b>(11,875)</b>	-
Purchase of intangible fixed assets	10	<b>(1,149)</b>	(453)
Purchase of property, plant and equipment	11	<b>(884)</b>	(1,642)
Interest received	6	<u><b>9</b></u>	<u>59</u>
Net cash used in investing activities		<u><b>(13,899)</b></u>	<u>(2,036)</u>
<b>Cash flows from financing activities</b>			
Share issue		<b>292</b>	142
Interest paid	6	<b>(160)</b>	-
Proceeds from borrowings		<u><b>4,525</b></u>	<u>-</u>
Net cash from financing activities		<u><b>4,657</b></u>	<u>142</u>
<b>(Decrease)/increase in cash and cash equivalents</b>	24	<b>(5,602)</b>	1,416
<b>Cash and cash equivalents at beginning of period</b>		<u><b>8,914</b></u>	<u>7,498</u>
<b>Cash and cash equivalents at end of period</b>	24	<u><u><b>3,312</b></u></u>	<u><u>8,914</u></u>

The notes on pages 27 to 60 form part of these consolidated financial statements.

accesso Technology Group plc (formerly Lo-Q plc)

**Company statement of cash flow  
for the 14 month financial period ended 31 December 2013**

		<b>2013 14 Months £000</b>	<b>2012 12 Months £000</b>
	Notes		
<b>Cash flows from operating activities</b>			
Cash generated from operations	24	<b>(7,154)</b>	2,376
Tax paid		<u><b>(756)</b></u>	<u>(694)</u>
Net cash (used)/generated from operating activities		<u><b>(7,910)</b></u>	<u>1,682</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets	10	<b>(674)</b>	(453)
Purchase of property, plant and equipment	11	<b>(468)</b>	(1,638)
Interest received	6	<u><b>9</b></u>	<u>59</u>
Net cash used in investing activities		<u><b>(1,133)</b></u>	<u>(2,032)</u>
<b>Cash flows from financing activities</b>			
Share issue		<b>292</b>	142
Interest paid		<b>(139)</b>	-
Proceeds from borrowings		<u><b>4,525</b></u>	<u>-</u>
Net cash from financing activities		<u><b>4,678</b></u>	<u>142</u>
<b>Decrease in cash and cash equivalents</b>	24	<b>(4,365)</b>	(208)
<b>Cash and cash equivalents at beginning of period</b>		<u><b>6,139</b></u>	<u>6,347</u>
<b>Cash and cash equivalents at end of period</b>	24	<u><b>1,774</b></u>	<u>6,139</u>

The notes on pages 27 to 60 form part of these consolidated financial statements.

accesso Technology Group plc (formerly Lo-Q plc)

Statement of changes in equity  
for the 14 month financial period ended 31 December 2013

Group	Share capital	Retained earnings	Share premium	Other reserves	Own shares held in trust	Translation reserve	Total
	£000	£000	£000	£000	£000	£000	£000
<b>At 5 November 2012</b>	175	6,206	6,655	584	(1,332)	69	<b>12,357</b>
Profit for period	-	1,987	-	-	-	-	<b>1,987</b>
Foreign exchange	-	-	-	-	-	(811)	<b>(811)</b>
Issue of share capital	4	-	288	-	-	-	<b>292</b>
Issue of share capital: accesso, LLC. acquisition	18	-	5,893	-	-	-	<b>5,911</b>
Issue of share capital: Siriusware, Inc. acquisition	5	-	3,094	-	-	-	<b>3,099</b>
Share-based payments	-	-	-	112	-	-	<b>112</b>
Share option tax credit	-	-	-	920	-	-	<b>920</b>
<b>At 31 December 2013</b>	<b>202</b>	<b>8,193</b>	<b>15,930</b>	<b>1,616</b>	<b>(1,332)</b>	<b>(742)</b>	<b>23,867</b>
At 1 November 2011	171	3,685	6,516	239	(1,332)	154	9,433
Profit for period	-	2,521	-	-	-	-	2,521
Foreign exchange	-	-	-	-	-	(85)	(85)
Issue of share capital	4	-	139	-	-	-	143
Share-based payments	-	-	-	84	-	-	84
Share option tax credit	-	-	-	261	-	-	261
At 4 November 2012	175	6,206	6,655	584	(1,332)	69	12,357

Company	Share capital	Retained earnings	Share premium	Other reserves	Translation reserve	Total
	£000	£000	£000	£000	£000	£000
<b>At 5 November 2012</b>	175	5,971	6,655	584	-	<b>13,385</b>
Profit for period	-	457	-	-	-	<b>457</b>
Foreign exchange	-	-	-	-	(2)	<b>(2)</b>
Issue of share capital	27	-	9,275	-	-	<b>9,302</b>
Share-based payments	-	-	-	112	-	<b>112</b>
Share option tax credit	-	-	-	380	-	<b>380</b>
<b>At 31 December 2013</b>	<b>202</b>	<b>6,428</b>	<b>15,930</b>	<b>1,076</b>	<b>(2)</b>	<b>23,634</b>
At 1 November 2011	171	3,632	6,516	239	-	10,558
Profit for period	-	2,339	-	-	-	2,339
Issue of share capital	4	-	139	-	-	143
Share-based payments	-	-	-	84	-	84
Share option tax credit	-	-	-	261	-	261
At 4 November 2012	175	5,971	6,655	584	-	13,385

**Notes to the consolidated financial statements  
for financial period ended 31 December 2013**

**1. Accounting policies**

***Basis of preparation***

Accesso Technology Group plc (formerly Lo-Q plc) is a public limited company incorporated in the United Kingdom, whose shares are publicly traded on the AIM market. The company is domiciled in the United Kingdom and its registered address is Thames House, Portsmouth Road, Esher, Surrey, KT10 9AD.

The financial period represents the 60 weeks and 2 days to 31 December 2013 (prior financial year 52 weeks and 6 days to 4 November 2012) during the period the company changed its accounting reference date from 4 November to 31 December, accordingly the comparative amounts within these financial statements are not comparable. The consolidated financial statements for the 60 weeks and 2 days to 31 December 2013 comprise the financial statements of the company and its subsidiaries ('group'). The group's principal activities are the development and application of ticketing, mobile and eCommerce technologies and virtual queuing solutions for the attractions and leisure industry.

***Statement of compliance with IFRS***

The group's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) International Accounting Standards Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB) as adopted by the European Union ("adopted IFRSs").

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the periods presented, unless otherwise stated.

***The following new standards have been adopted during the period***

- IFRS 13 Fair Value Measurement (effective 1 January 2013)
- Amendment to IAS 12 Income Taxes (effective 1 January 2012)
- Amendment to IAS 12 Employee Benefits (effective 1 January 2013)

The adoption of the above new standards has not had a material impact on the financial statements during the period ended 31 December 2013.

***New standards and interpretations not yet adopted***

A number of new standards, amendments to standards and interpretations are not effective for 2013 and therefore have not been applied in preparing these accounts. The effective dates shown are for periods commencing on the date quoted.

- IFRS 9 Financial Instruments (to be confirmed)
- IFRS 10 Consolidated Financial Statements (effective 1 January 2014)
- IFRS 12 Disclosure of Interests in Other Entities (effective 1 January 2014)

The group has considered the above new standards, interpretations and amendments to published standards that are not yet effective and concluded that they are either not relevant to the group or that they would not have a significant impact on the group's financial statements, apart from additional disclosures.

**Notes to the consolidated financial statements (continued)**  
**for financial period ended 31 December 2013**

***Basis of accounting***

The financial statements of accesso have been prepared in accordance with EU Endorsed International Financial Reporting Standards and IFRIC interpretations (IFRS) and the Companies Act 2006 applicable to companies reporting under IFRS. The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are noted below.

***Critical estimates and judgements***

The group makes judgements and assumptions concerning the future that impact the application of policies and reported amounts. The resulting accounting estimates calculated using these judgements and assumptions may not equal the related actual results but are based on historical experience and expectations of future events. The judgements and key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are discussed below.

***Impairment of assets***

Financial and non-financial assets including other intangibles are subject to impairment reviews based on whether current or future events and circumstances suggest that their recoverable amount may be less than their carrying value. Recoverable amount is based on a calculation of expected future cash flows which includes management assumptions and estimates of future performance.

If there is an indication that impairment exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the group estimates the recoverable amount of the cash-generating unit to which this asset belongs. An intangible asset with an indefinite useful life is tested for impairment annually and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of the future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior periods. A reversal of an impairment loss is recognised as income immediately unless the relevant asset is carried at a re-valued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

***Impairment of non-financial assets (excluding inventories and deferred tax assets)***

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

**Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013**

*Impairment of non-financial assets (excluding inventories and deferred tax assets) (continued)*

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units ('CGUs'). Goodwill is allocated on initial recognition to each of the group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

*Useful lives of intangible assets*

Intangible assets are amortised over their estimated useful lives. Useful lives are based on the management's estimates of the period that the assets will generate revenue, which are periodically reviewed for continued appropriateness. Changes to estimates can result in significant variations in the carrying value and amounts charged to the consolidated income statement in specific periods. More details including carrying values are included in note 10.

*Determination of fair values of intangible assets acquired in business combinations*

The fair value of intangible assets acquired in business combinations is based on a method appropriate to the specific intangible asset. The accesso, LLC. intangible assets were derived as follows:

- Customer relationships on multiple period excess earnings; and
- Internally developed technology on an estimated cost to recreate the intellectual property.

Siriusware, Inc.'s intangible assets were derived as follows:

- Internally developed technology on a multiple period excess earnings method;
- Customer relationships on a cost based approach; and
- Trademarks on a relief from royalty method.

*Income taxes*

The group is subject to income tax in several jurisdictions and significant judgement is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the group recognises tax liabilities based on estimates of whether additional taxes and interest will be due. The group believes that its accruals for tax liabilities are adequate for all open audit years based on its assessment of many factors including past experience and interpretations of tax law. This assessment relies on estimates and assumptions and may involve a series of complex judgements about future events. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will impact income tax expense in the period in which such determination is made.

The recognition of deferred tax assets is based upon whether it is more likely than not that sufficient and suitable taxable profits will be available in the future against which the reversal of temporary differences can be deducted. Where the temporary differences are related to losses, the availability of the losses to offset against forecast taxable profits is also considered.

Deferred tax arising on business combinations reflects the difference in tax base and book base. The tax base of the intangible assets depends on the local jurisdiction and the nature of the acquisition as to whether a stock or asset purchase.

***Basis of consolidation***

The consolidated financial statements incorporate the results of accesso and all of its subsidiary undertakings as at 31 December 2013 using the acquisition method of accounting. The results of subsidiary undertakings are included from the date of acquisition.

Disclosure and details of the subsidiaries are provided in note 12.

**Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013**

***Basis of consolidation (continued)***

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the group.

All intra-group transactions, balances, income and expenses are eliminated on consolidation.

Lo-Q (Trustees) Limited, a subsidiary company that holds an employee benefit trust on behalf of accesso Technology Group plc is under control of the board of directors and hence has been consolidated into the group results.

The acquisition of subsidiaries is accounted for using the purchase method. The cost of the acquisition is measured at the aggregate of the fair value, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the group in exchange for control of the acquiree. Any costs directly attributable to the business combination are written off to the group income statement. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions under IFRS3 are recognised at their fair value at the acquisition date.

Goodwill arising on acquisition is recognised as an asset and initially measured at cost, being the excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised.

***Subsidiaries***

Subsidiaries are all entities over which the group has the power to govern the financial and operating policies generally accompanying a shareholding of more than half of the voting rights. The results of subsidiaries are included in the group income statement from the date of acquisition.

***Revenue recognition***

Revenue primarily arises from the development and application of virtual queuing technologies and the rental of such technology by theme park, water park or attraction guests, eCommerce ticketing and the sale of point of sale hardware and software.

Revenue, in relation to virtual queuing, represents either total rentals, net of sales taxes, to theme park, water park or attraction guests, where the group is responsible for the operation within the park or attraction, or the group's share of such rental. Where total revenue is accounted for, the park operators share of such rental is included within cost of sales.

Ticketing revenue is recognised on a transactional basis and point of sale revenue is recognised on transfer of the goods or services.

Revenue also includes, where applicable, revenue from the sale of an installed system to a new or existing park operator, which is recognised on delivery of the system.

***Interest expense recognition***

Expense is recognised as interest accrues, using the effective interest method, to the net carrying amount of the financial liability.

***Employee expenses***

The group has applied the requirements of IFRS 2 share-based payment. In accordance with the transitional provisions, IFRS2 has been applied to all grants of equity instruments after 7 November 2002 that were unvested as of 1 January 2007.

The group issues equity-settled share-based payments to full time employees. Equity settled share-based payments are measured at the fair value at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the group's estimate of shares that will eventually vest.

**Notes to the consolidated financial statements (continued)**  
**for financial period ended 31 December 2013**

***Employee expenses (continued)***

Fair value is measured by use of a Black-Scholes model for all share options in issue. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions, and behavioural considerations.

***Commitments under operating leases***

Where substantially all of the risks and rewards incidental to ownership are not transferred to the group (an "operating lease"), the total rentals payable under the lease are charged to the consolidated statement of comprehensive income on a straight-line basis over the lease term. The aggregate benefit of lease incentives is recognised as a reduction of the rental expense over the lease term on a straight-line basis.

***Property, plant and equipment***

Items of property, plant and equipment are stated at cost of acquisition or production cost less accumulated depreciation and impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Plant and machinery	33.3%
Office equipment	33.3%
Installed systems	25 – 33.3% or seasons within life of contract
Furniture and fixtures	20.0%

For installed systems the depreciation is charged over a season of operation as this directly reflects the period of operation of the assets in which economic benefits are generated.

***Inventories***

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Stocks are calculated on a first in first out basis.

Park installations are valued on the basis of the cost of stock items and labour plus attributable overheads.

Net realisable value is based on estimated selling price less additional costs to completion and disposal.

***Deferred tax***

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the consolidated statement of financial position differs from its tax base, except for differences arising on:

- the initial recognition of goodwill;
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- investments in subsidiaries and jointly controlled entities where the group is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the difference can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).



**Notes to the consolidated financial statements (continued)**  
**for financial period ended 31 December 2013**

***Deferred tax (continued)***

Deferred tax assets and liabilities are offset when the group has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority on either:

- the same taxable group company; or
- different group entities which intend either to settle current tax assets and liabilities on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

***Current income tax***

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

***Goodwill and intangible assets***

Goodwill is carried at cost less any provision for impairment. Intangible assets are valued at cost less amortisation and any provisions for impairment.

Goodwill arising on business combinations (representing the excess of fair value of the consideration given over the fair value of the separable net assets acquired) is capitalised and its subsequent measurement is based on annual impairment reviews, with any impairment losses recognised immediately in the income statement. Direct costs of acquisition are recognised immediately in the income statement as an expense.

***Externally acquired intangible assets***

Intangible assets are capitalised at cost and amortised to nil by equal annual instalments over their estimated useful economic life.

Intangible assets are recognised on business combinations if they are separable from the acquired entity. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques (see note 10). The significant intangibles recognised by the group and their useful economic lives are as follows:

- Brand name over 5 years
- Customer relationships over 15 years
- Intellectual property over 5-7 years

Internally generated intangible assets (research and development costs)

Expenditure on internally developed products is capitalised if it can be demonstrated that:

- It is technically feasible to develop the product for it to be sold;
- Adequate resources are available to complete the development;
- There is an intention to complete and sell the product;
- The Group is able to sell the product;
- Sale of the product will generate future economic benefits; and
- Expenditure on the project can be measured reliably.

Capitalised development costs are amortised over the periods the group expects to benefit from selling the products developed, which is estimated to be 3 and 5 years. The amortisation expense is included within research and development expenses in the consolidated income statement.

**Notes to the consolidated financial statements (continued)**  
**for financial period ended 31 December 2013**

***Goodwill and intangible assets (continued)***

Development expenditure not satisfying the above criteria and expenditure on the research phase of internal projects are recognised in the consolidated income statement as incurred.

***Research and development***

In accordance with IAS 38 'Intangible Assets', expenditure incurred on research and development is distinguished as either to a research phase or to a development phase.

All advanced research phase expenditure is charged to the income statement. For development expenditure, this is capitalised as an internally generated intangible asset, only if it meets strict criteria, relating in particular to technical feasibility and generation of future economic benefits.

Development expenditure is capitalised and amortised within administrative expenses on a straight line basis over its useful economic life, which is considered to be up to a maximum of 5 years. The group has contractual commitments for development costs of £nil (2012: £nil).

***Intellectual property rights and patents***

Intellectual property rights comprise assets acquired, being external costs, relating to know how, patents and licences and have been capitalised at the fair value of the assets acquired and are amortised within administrative expenses on a straight line basis over their estimated useful economic life of 5 and 9 years.

***Foreign currency exchange***

Transactions entered into by group entities in a currency other than the currency of the primary economic environment in which they operate (their "functional currency") are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognised immediately in profit or loss, except for foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation, in which case exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve along with the exchange differences arising on the retranslation of the foreign operation.

Exchange gains and losses arising on the retranslation of monetary available for sale financial assets are treated as a separate component of the change in fair value and recognised in profit or loss. Exchange gains and losses on non-monetary available for sale financial assets form part of the overall gain or loss recognised in respect of that financial instrument.

On consolidation, the results of overseas operations are translated into sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations, including goodwill arising on the acquisition of those operations, are translated at the rate ruling at the reporting date. Exchange differences on translating the opening net assets at opening rate and the results of the overseas operations at actual rate are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

Exchange differences recognised profit or loss in group entities' separate financial statements on the translation of long-term monetary items forming part of the group's net investment in the overseas operation concerned are reclassified to other comprehensive income and accumulated in the foreign exchange reserve on consolidation offset by any exchange differences on foreign currency borrowings qualifying as a hedge of a net investment in a foreign operation.

On disposal of a foreign operation, the cumulative exchange differences recognised in the foreign exchange reserve relating to that operation up to the date of disposal are transferred to the consolidated statement of comprehensive income as part of the profit or loss on disposal.

**Notes to the consolidated financial statements (continued)**  
**for financial period ended 31 December 2013**

***Pension costs***

Contributions to the group's defined contribution pension scheme are charged to the profit and loss account in the period/ year in which they become due.

***Financial assets***

The group classifies all its financial assets into one of the following categories, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the group's accounting policy for each category is as follows:

- ***Loans and receivables*** are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary asset.
- ***Trade receivables*** are initially recognised by the group and carried at original invoice amount less an allowance for any uncollectible or impaired amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when they are identified as being bad. Other receivables are recognised at fair value.
- ***Cash and cash equivalents*** in the statement of financial position comprise cash at bank, cash in hand and short term deposits with an original maturity of three months or less. Bank overdrafts that are repayable on demand and form an integral part of the group's cash management are included as a component of cash and cash equivalents for the purposes of the consolidated cash flow statement. Bank overdrafts are shown within loans and borrowings in current liabilities in the statement of financial position.
- ***Impairment*** is recognised if there is objective evidence that the balance will not be recovered.
- ***The group's loans and receivables*** comprise trade and other receivables and cash and cash equivalents in the statement of financial position.
- ***Fair value through profit or loss***: This category comprises only 'in the money' foreign exchange derivatives (see 'Financial Instruments' below). Other than these derivative financial instruments, the group does not have any assets held for trading nor has it designated any financial assets as being at fair value through profit or loss.

***Financial liabilities***

With the exception of financial liabilities in a qualifying hedging relationship, the group treats its financial liabilities in accordance with the following accounting policy:

- ***Trade payables*** and other short-term monetary liabilities are recognised at fair value and subsequently at amortised cost.
- ***Bank borrowings*** are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position. "Interest expense" in this context includes initial transaction costs and premiums payable on redemption, as well as any interest payable while the liability is outstanding.
- ***Fair value through profit or loss***: This category comprises only 'out of-the-money derivatives' (see 'financial instruments' below). Other than these derivative financial instruments, the group does not have any liabilities that are accounted for at fair value through profit or loss.

***Financial instruments***

Financial instruments are used to manage the financial risks arising from the business activities of the group and the financing of those activities. There is no trading in financial instruments.

**Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013**

***Financial instruments (continued)***

**Forward exchange contracts:** Where forward exchange contracts are used to manage foreign currency exchange risk, they are valued by deducting the year end spot rate from the discounted contractual forward price. The discounted contractual forward price is based on market discount rates for similar instruments at the statement of financial position date. Any material movement in the valuation of the forward element of these contracts is recognised directly in the consolidated Income statement within administration expenses.

***Equity instruments regarding share capital***

Equity instruments are recorded at the proceeds received, net of direct issue costs.

***Employee benefit trust (EBT)***

As the company is deemed to have control of its EBT trust, it is treated as a subsidiary and consolidated for the purposes of the consolidated financial statements. The EBT's assets (other than investments in the company's shares), liabilities, income and expenses are included on a line-by-line basis in the consolidated financial statements. The EBT's investment in the company's shares is deducted from equity in the consolidated statement of financial position as if they were treasury shares.

**Notes to the consolidated financial statements (continued)**  
**for financial period ended 31 December 2013**

**2. Financial risk management**

**Overview:**

The group has exposure to the following risks from its use of financial instruments:

- Liquidity risk;
- Interest rate risk;
- Credit risk; and
- Market risk.

This note presents information about the group's exposure to each of the above risks and the group's policies and processes for measuring and managing these risks. The risks are managed centrally following board approved policies. The group operates a centralised treasury function in accordance with board approved policies and guidelines covering funding and management of foreign exchange exposure and interest rate risk. Transactions entered into by the treasury function are required to be in support of, or as a consequence of, underlying commercial transactions.

Other than short-term trade receivables and trade payables, as detailed in notes that arise directly from operations the group's financial instruments comprise cash. The fair values of these instruments are not materially different to their book values. The objective of holding financial instruments is to raise finance for the group's operations and manage related risks. The group's activities expose the group to a number of risks including interest rate risk, credit risk, liquidity risk and currency risk. The group manages these risks by regularly monitoring the business and providing ongoing forecasts of the impact on the business.

**Liquidity risk**

The group closely monitors its access to bank and other credit facilities in comparison to its outstanding commitments to ensure it has sufficient funds to meet its obligations as they fall due. The group finance function produces regular forecasts that estimate the cash inflows and outflows for the next 12 months, so that management can ensure that sufficient financing is in place as it is required. The groups objective is to maintain a balance between continuity of funding and flexibility through the use of banking arrangements in place.

**Maturity analysis**

The table below analyses the group's financial liabilities on a contractual gross basis based on amount outstanding at the balance sheet date up to maturity date:

**31 December 2013**

	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years	Total
<b>Maturity analysis</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Group</b>					
Trade and other payables	3,249	-	-	-	<b>3,249</b>
Bank loan	-	-	4,525	-	<b>4,525</b>
<b>Total liabilities</b>	<b>3,249</b>	<b>-</b>	<b>4,525</b>	<b>-</b>	<b>7,774</b>
<b>Company</b>					
Trade and other payables	508	-	-	-	<b>508</b>
Bank loan	-	-	4,525	-	<b>4,525</b>
<b>Total liabilities</b>	<b>508</b>	<b>-</b>	<b>4,525</b>	<b>-</b>	<b>5,033</b>

**Notes to the consolidated financial statements (continued)**  
for financial period ended 31 December 2013

***Maturity analysis (continued)***

4 November 2012

	Less than 6 months	Between 6 months and 1 year	Between 1 and 5 years	Over 5 years	Total
Maturity analysis	£000	£000	£000	£000	£000
Group					
Trade and other Payables	48	-	-	-	48
Total Liabilities	<u>48</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48</u>
Company					
Trade and other Payables	381	-	-	-	381
Total Liabilities	<u>381</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>381</u>

The group would normally expect that sufficient cash is generated in the operating cycle to meet the contractual cash flows as disclosed above through effective cash management.

***Interest rate risk***

The group's interest rate variation arises mainly from interest received on cash deposits. Any contractual agreements entered into at floating rates expose the entity to cash flow risk, while fixed-rate deposits expose the entity to fair value risk. The group uses a combination of fixed and floating deposits for its cash balances.

The group has considered the potential impact of falling interest rates on its cash deposits and do not consider this to have a materially significant impact on the accounts and hence no sensitivity analysis is considered necessary.

The group regularly reviews its funding arrangements to ensure they are competitive with the marketplace.

The table below shows the group's and company's financial assets and liabilities that could be affected by the fluctuation in interest rates split by those bearing fixed and floating rates and those that are non-interest bearing:

**31 December 2013**

	Fixed rate	Floating rate	Non-interest bearing	Total asset	Total liability
Group	£000	£000	£000	£000	£000
Cash	<u>-</u>	<u>3,312</u>	<u>-</u>	<u>3,312</u>	<u>-</u>
Total assets	<u>-</u>	<u>3,312</u>	<u>-</u>	<u>3,312</u>	<u>-</u>
Bank loan	<u>-</u>	<u>(4,525)</u>	<u>-</u>	<u>-</u>	<u>(4,525)</u>
Total liabilities	<u>-</u>	<u>(4,525)</u>	<u>-</u>	<u>-</u>	<u>(4,525)</u>

Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013

*Interest rate risk* (continued)

**31 December 2013**

	Fixed rate	Floating rate	Non-interest bearing	Total asset	Total liability
Company	£000	£000	£000	£000	£000
Cash	-	1,774	-	1,774	-
<b>Total assets</b>	<b>-</b>	<b>1,774</b>	<b>-</b>	<b>1,774</b>	<b>-</b>
Bank loan	-	(4,525)	-	-	(4,525)
<b>Total liabilities</b>	<b>-</b>	<b>(4,525)</b>	<b>-</b>	<b>-</b>	<b>(4,525)</b>

**4 November 2012**

	Fixed rate	Floating rate	Non-interest bearing	Total asset	Total liability
	12 Months	12 Months	12 Months	12 Months	12 Months
Group	£000	£000	£000	£000	£000
Trade and other receivables	-	-	315	315	-
Cash	4,639	4,273	2	8,914	-
<b>Total assets</b>	<b>4,639</b>	<b>4,273</b>	<b>317</b>	<b>9,229</b>	<b>-</b>
Trade and other payables	-	-	(70)	-	(70)
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>(70)</b>	<b>-</b>	<b>(70)</b>

  

	Fixed rate	Floating rate	Non-interest bearing	Total asset	Total liability
Company	£000	£000	£000	£000	£000
Trade and other receivables	-	-	4,676	4,676	-
Cash	4,639	1,498	2	6,139	-
<b>Total assets</b>	<b>4,639</b>	<b>1,498</b>	<b>4,678</b>	<b>10,815</b>	<b>-</b>
Trade and other payables	-	-	(399)	-	(399)
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>(399)</b>	<b>-</b>	<b>(399)</b>

The bank loan which is subject to a floating rate and the full details of this facility are detailed in note 18.

**Notes to the consolidated financial statements (continued)**  
**for financial period ended 31 December 2013**

***Credit risk exposure***

Credit risk predominantly arises from trade receivables, cash and cash equivalents and deposits with banks. Credit risk is managed on a group basis. External credit checks are obtained for larger customers. In addition, the credit quality of each customer is assessed internally before accepting any terms of trade. Internal procedures take into account customers' financial position, their reputation in the industry and past trading experience. As a result the group's exposure to bad debts is not significant due to the nature of its trade and relationships with customers.

Indeed, the group having considered the potential impact of its exposure to credit risk, having due regard to both the nature of its business and customers, do not consider this to have a materially significant impact to the results.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions that have acceptable credit ratings.

Financial assets	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Trade and other receivables	2,567	992	13,901	4,717
Cash	3,312	8,914	1,774	6,139
Estimated irrecoverable amounts	-	-	-	-

The maximum exposure is the carrying amount as disclosed in trade and other receivables. The average credit period taken by theme parks on paying over the queuing system revenue is 14 days. The allowance for estimated irrecoverable amounts has been made based upon the knowledge of the financial circumstances of individual trade receivables at the balance sheet date. The group holds no collateral against these receivables at the balance sheet date.

The following table provides an analysis of trade and other receivables that were past due at 31 December 2013 and 31 October 2012 but against which no provision has been made. The group believes that the balances are ultimately recoverable based on a review of past payment history and the current financial status of the customers.

	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Up to 3 months	713	315	42	315
3 to 6 months	-	-	-	-
	<b>713</b>	<b>315</b>	<b>42</b>	<b>315</b>



**Notes to the consolidated financial statements (continued)**  
**for financial period ended 31 December 2013**

**Capital risk management**

The group considers its capital to comprise its ordinary share capital, share premium, own shares held in trust, other reserves, accumulated retained earnings and borrowings as disclosed in the consolidated statement of financial position on page 22. Further details of the group's borrowing facilities and undrawn facilities is included on page 54. The group regularly evaluates its compliance with covenants related any borrowing facility.

The group's objectives when managing capital are to safeguard the group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

**Foreign currency exposure**

The group has overseas operations in the USA, Canada, Italy, Germany, Spain and Australia and as such is exposed to the risk of foreign currency fluctuations. The main operating currencies of its operations are in sterling, US dollars, Canadian dollars and euros. The group's currency exposure comprises the monetary assets and liabilities of the group that are not denominated in the operating or 'functional' currency of the operating unit involved. At the period end accesso Technology Group plc, was the only group company that has monetary assets in currencies other than its local currency, had non - sterling bank balances:

£42,453 (2012 - £2,440,959) denominated in US dollars  
 £39,989 (2012 - £158,092) denominated in Australian dollars  
 £168,110 (2012 - £513,742) denominated in euros.

The group manages risk by its subsidiaries matching revenue and expenditure in their local currency wherever possible. The group tries to keep foreign intercompany balances as low as possible to avoid translation adjustments.

Given the nature of the groups' operations and their management of foreign currency exposure they limit the potential down side risk as far as practicably possible.

To show the impact of the fluctuation of the USD exchange rate on the group financial statements, the table below shows how the financial period ended 31 December 2013 results would have been impacted by exchange rates of +/- \$0.10.

	2013 14 Months			2012 12 Months		
	Actual			Actual		
	\$1.657413	\$1.557413	\$1.757413	\$1.6105:£1	\$1.5105:£1	\$1.7105:£1
	£000	£000	£000	£000	£000	£000
Group net assets	23,866	23,904	23,833	12,357	13,722	13,662
Group turnover	39,628	41,950	37,570	29,137	30,347	27,176
Group profit for the period	1,987	2,053	1,928	2,521	2,847	2,234

The group's policy is to utilise forward contracts where appropriate. The group substantially managed its exposure in 2013 by entering in GBP/US\$ forward contracts to mitigate the risk of foreign currency fluctuation. At the balance sheet date the total notional value of contracts to which the group was committed was US\$0m (2012: US\$5m). The fair value of a forward contract is considered materially equal to the value paid.

**Notes to the consolidated financial statements (continued)**  
**for financial period ended 31 December 2013**

**3. Business and geographical segments**

***Segmental analysis***

The group's operating segments under IFRS have been determined with reference to the information presented in the management accounts reviewed by the board of directors.

The principle revenue generating activity of the group is the provision of technology solutions to the global attractions and leisure industry.

The group has three operating segments but these are aggregated into one reporting segment due to the nature of the service lines, customers and sector being very similar.

The group's revenues, costs, assets, liabilities, currency exposure and cash flows are therefore totally attributable to this reporting segment.

The definition and reporting of segments will be assessed as the group develops the relative scale or number of operating segments.

***Entity wide disclosures***

Analyses of the groups external revenues and non-current assets by geographical location are detailed below:

	Revenue		Non current assets	
	2013 14 Months £000	2012 12 Months £000	2013 £000	2012 £000
UK	1,010	766	2,474	2,551
Other Europe	1,062	827	28	119
Australia	101	100	-	-
USA and Canada	37,455	27,444	19,511	94
	<b>39,628</b>	<b>29,137</b>	<b>22,013</b>	<b>2,764</b>

Revenue generated in each of the geographical locations is generally in the local currency of the theme park or attraction based in that location.

***Major customers***

The group has entered into agreements with theme parks, theme park groups and attractions to operate their technology in single or multiple theme parks or attractions within the theme park group.

The majority of the ultimate revenue of the business is derived from theme park or attraction guest rentals or the group's virtual queuing technology and no single guest forms a significant proportion of the revenue of the group.

However, the ability to generate these guest rentals is fully dependant on the group maintaining and developing agreements with theme parks or attraction owners to operate its technology. The group does have agreements with a single theme park group where sales to guests of that theme park group account for a significant and material amount of total revenue of the group.

Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013

4. Employees and directors

	2013 14 Months £000	2012 12 Months £000
Wages and salaries	9,390	4,640
Social security costs	680	499
Defined contribution pension costs	135	93
Share based payment transactions	112	84
	<u>10,317</u>	<u>5,316</u>

The average monthly number of employees, by activity, during the period was made up as follows:

	2013 14 Months	2012 12 Months
Operations	49	20
Research & development	41	10
Sales	5	3
Finance & administration	15	9
Marketing	3	2
Seasonal staff	353	328
	<u>466</u>	<u>372</u>

Details of directors emoluments can be found on page 18.

Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013

5. Expenses by nature

	2013 14 Months £000	2012 12 Months £000
Park operating costs (including park share of revenue)	23,483	21,507
Staff costs	6,612	2,287
Legal and professional costs	1,208	400
Travel	359	162
Marketing	348	183
Other costs	2,125	300
Other operating leases	294	120
Depreciation - owned assets	813	669
Amortisation	1,594	403
Research and development	563	438
Foreign exchange differences	(811)	(41)

**Auditors' remuneration**

During the period the following services were obtained from the group's auditor at a cost detailed below:

	2013 14 Months £000	2012 12 Months £000
<b>Audit services</b>		
Fees payable to company's auditors of the parent company and consolidated accounts	40	44
Fees payable to the company's auditors for the audit of subsidiaries	18	
<b>Non audit service</b>		
Tax compliance	27	23
Tax advisory	22	-
Corporate finance services	40	40
Interim agreed upon procedures	5	1
Other non-audit services	1	1
	<u>153</u>	<u>109</u>

6. Finance income and expense

	2013 14 Months £000	2012 12 Months £000
Bank interest received	<u>9</u>	<u>59</u>
Bank interest	(60)	-
Loan note interest relating to acquisition of accesso, LLC.	(16)	-
Refinancing costs	(84)	-
Total Finance Costs	<u>(160)</u>	<u>-</u>
<b>Net finance income</b>	<u>(151)</u>	<u>59</u>

Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013

7. Tax

Analysis of the tax charge

	2013 14 Months £000	2012 12 Months £000
<b>UK corporation tax</b>		
Current tax on income for the period	241	559
Adjustment in respect of prior periods	(90)	(33)
	<u>151</u>	<u>526</u>
<b>Overseas tax</b>		
Current tax on income for the period	(11)	86
<b>Total current taxation</b>	<u>140</u>	<u>612</u>
<b>Deferred taxation</b>		
Original and reversal of temporary differences (see note 12)	96	20
Effect of tax rate change on opening balances	(3)	-
	<u>93</u>	<u>20</u>
<b>Total taxation charge</b>	<u>233</u>	<u>632</u>

The differences between the actual tax charge for the period and the theoretical amount that would arise using the applicable weighted average tax rate are as follows:

Profit on ordinary activities before tax	2,220	3,153
Tax at the UK corporation tax rate of 23.35% (2012 24.83%)	<u>518</u>	<u>783</u>
Effects of:		
Expenses not deductible for tax purposes	157	12
Income not chargeable for tax purposes	46	-
Profit subject to foreign taxes at an higher marginal rate	70	14
Capital allowances in advance of depreciation	6	91
Unrelieved tax losses and other deductions arising in the period	(68)	6
Additional deduction for R&D expenditure	(86)	(51)
Adjustment in respect of prior period – income statement	(89)	(34)
Adjustment in respect of prior periods – deferred tax	(35)	-
Share scheme deduction	(284)	(191)
Change in rates	(2)	2
	<u>(491)</u>	<u>(167)</u>
<b>Total tax charge</b>	<u>233</u>	<u>632</u>

Deferred tax assets and liabilities have been measured at an effective rate of 20% and 40% in the UK and US respectively (2012: 23% and 40% respectively). The inclusion of legislation to reduce the main rate of corporation tax from 23% to 21% from 1 April 2014 and then a further reduction to 20% from 1 April 2015 was substantively enacted on 3 July 2013.

8. Profit of parent company

As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial period ended 31 December 2013 was £457,118 (2012 - £2,338,904).

**Notes to the consolidated financial statements (continued)**  
**for financial period ended 31 December 2013**

**9. Earnings per share**

Basic earnings per share is calculated by dividing the earnings attributable to ordinary shareholders by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shareholders after adjustments for instruments that dilute basic earnings per share by the weighted average of ordinary shares outstanding during the period (adjusted for the effects of dilutive instruments).

The following reflects the income and share data used in the total operations and diluted earnings per share computations.

	<b>Earnings 14 Months £000</b>	<b>2013 Weighted average Number of shares</b>	<b>Per share amount (pence)</b>
<b>Basic EPS</b>			
Earnings attributable to ordinary shareholdings	<b>1,987</b>	<b>19,431</b>	<b>10.23</b>
<b>Effect of dilutive securities</b>			
Options	-	<b>658</b>	-
<b>Diluted EPS</b>			
Adjusted earnings	<b>1,987</b>	<b>20,089</b>	<b>9.89</b>

  

	<b>Earnings 12 Months £000</b>	<b>2012 Weighted average Number of shares</b>	<b>Per share amount (pence)</b>
<b>Basic EPS</b>			
Earnings attributable to ordinary shareholdings	<b>2,521</b>	<b>17,319</b>	<b>14.56</b>
<b>Effect of dilutive securities</b>			
Options	-	<b>770</b>	-
<b>Diluted EPS</b>			
Adjusted earnings	<b>2,521</b>	<b>18,089</b>	<b>13.94</b>

Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013

10. Intangible assets

	Goodwill	Customer relationships	Patent costs	Development costs	Trademarks	Internally developed technology	Intellectual property rights	Totals
Group cost	£000	£000	£000	£000	£000	£000	£000	£000
At 1 November 2011	-	-	203	1,714	-	-	159	2,076
Additions	-	-	42	411	-	-	-	453
At 4 November 2012	-	-	245	2,125	-	-	159	2,529
Foreign currency translation	(246)	(101)	(1)	(4)	(2)	(145)	-	(499)
Acquired with subsidiaries	10,241	3,589	27	155	145	5,517	-	19,674
Additions	-	-	116	1,033	-	-	-	1,149
At 31 December 2013	9,995	3,488	387	3,309	143	5,372	159	22,853
<b>Amortisation</b>								
At 1 November 2011	-	-	40	740	-	-	114	894
Charged	-	-	33	351	-	-	18	402
At 4 November 2012	-	-	73	1,091	-	-	132	1,296
Foreign currency translation	-	-	-	-	-	-	-	-
Acquired with subsidiaries	-	-	9	11	-	-	-	20
Charged	-	208	61	530	4	783	8	1,594
At 31 December 2013	-	208	143	1,632	4	783	140	2,910
<b>Net book value</b>								
At 31 December 2013	9,995	3,280	244	1,677	139	4,589	19	19,943
At 4 November 2012	-	-	172	1,034	-	-	27	1,233
<b>Company cost</b>								
At 1 November 2011	-	-	203	1,713	-	-	159	2,075
Additions	-	-	42	411	-	-	-	453
At 4 November 2012	-	-	245	2,124	-	-	159	2,528
Additions	-	-	88	586	-	-	-	674
At 31 December 2013	-	-	333	2,710	-	-	159	3,202
<b>Amortisation</b>								
At 1 November 2011	-	-	40	739	-	-	114	893
Charged	-	-	33	351	-	-	18	402
At 4 November 2012	-	-	73	1,090	-	-	132	1,295
Charged	-	-	48	462	-	-	8	518
At 31 December 2013	-	-	121	1,552	-	-	140	1,813
<b>Net book value</b>								
At 31 December 2013	-	-	212	1,158	-	-	19	1,389
At 4 November 2012	-	-	172	1,034	-	-	27	1,233

**accesso Technology Group plc (formerly Lo-Q plc)**

**Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013**

**Acquisition of accesso, LLC.**

On 4 December 2012, the group acquired 100% of the voting equity of accesso, LLC., a leading US ticketing and e-commerce provider to the entertainment sector. The principal reason for this acquisition was to take advantage of the complimentary opportunities available within the sector in which the group operates.

The revenue included in the consolidated statement of comprehensive income since 5 December 2012 contributed by accesso, LLC. was £7.0m. accesso, LLC. also contributed gross profit of £6m over the same period.

Had accesso, LLC. been consolidated from 5 November 2012 the consolidated statement of comprehensive income would have included revenue of £7.18m and gross profit of £6.17m. Acquisition related costs of £0.38m were incurred in relation to this acquisition and are included within administrative expenses within the statement of comprehensive income for the period.

Details of the fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are:

	<b>Book value</b>		<b>Adjustment</b>	<b>Fair value</b>
	<b>£000</b>		<b>£000</b>	<b>£000</b>
Identifiable intangible assets				
Goodwill	1,023		(1,023)	-
Internally developed technology			3,359	3,359
Customer relationships	-		2,660	2,660
Property, plant and equipment	276		(29)	247
Receivables and other debtors	412		(31)	381
Payables and other liabilities	(497)		(67)	(564)
Deferred tax	-		2,880	2,880
Cash	398		-	398
<b>Total net assets</b>	<b>1,612</b>		<b>7,749</b>	<b>9,361</b>
Cash paid at completion	3,952	(1)	-	3,952
Loan note to seller	3,952	(1),(2)	-	3,952
Equity instruments (1,802,246 ordinary shares)	5,815	(1),(3)	96	5,911
Cash paid reflecting surplus working capital	372		(41)	331
<b>Total consideration</b>	<b>14,091</b>		<b>55</b>	<b>14,146</b>
<b>Goodwill on acquisition</b>				<b>4,785</b>

(1) Fair value of consideration paid, based on exchange rate of £1:\$1.6036.

(2) The loan note to seller was repayable on 31 March 2014 with an interest rate of 1.25% for the period to 31 March 2013 and 2.5% from 1 April 2013 to repayment. The note was fully repaid on 12 March 2013.

(3) In accordance with IFRS 3 Business Combinations (revised 2008) the fair value adjustment to consideration paid in shares is based on the difference between the share price at the date on which the company obtained control of accesso and the price determined in the Membership Interest Purchase Agreement for calculating the number of shares to be issued to the vendors.

The main factors leading to the recognition of goodwill are the presence of certain intangible assets, such as the assembled workforce of the acquired entity and the expected synergies of the enlarged group which do not qualify for separate recognition.

The goodwill and intangible assets recognised will attract tax deductions under the applicable local tax jurisdictions.



Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013

Acquisition of accesso, LLC. (continued)

The net cash outflow in the year in respect of acquisition comprised:

	Fair Value £000
Cash paid	(8,235)
Net cash acquired	<u>398</u>
Total cash outflow in respect of acquisition	<u>(7,837)</u>

Acquisition of Siriusware, Inc.

On 4 December 2013, the group acquired 100% of the voting equity of Siriusware, Inc., a leading North American provider of ticketing and point-of-sale software and hardware solutions and professional services to the leisure industry, with particular strength in the ski and snow sports sector. The principal reason for this acquisition was to further take advantage of the complimentary opportunities available within the sector in which the group operates.

The revenue included in the consolidated statement of comprehensive income since 5 December 2013 contributed by Siriusware, Inc. was £0.83m. Siriusware, Inc. also contributed gross profit of £0.68m over the same period.

Had Siriusware, Inc. been consolidated from 5 November 2013 the consolidated statement of comprehensive income would have included approximate revenue of £7.7m and gross profit of £6.3m. Acquisition related costs of £0.23m were incurred in relation to this acquisition and are incurred within administrative expenses within the statement of comprehensive income for the period.

Details of the provisional fair value of identifiable assets and liabilities acquired, purchase consideration and goodwill are:

	Provisional book value £000	Provisional adjustment £000	Provisional fair value £000
Identifiable intangible assets			
Internally developed technology	-	2,158	2,158
Customer relationships	-	929	929
Trademarks	-	145	145
Property, plant and equipment	230	-	230
Receivables and other debtors	1,278	-	1,278
Payables and other liabilities	(1,766)	-	(1,766)
Deferred tax liability	142	(1,435)	(1,293)
Cash	805	-	805
<b>Total net assets</b>	<u>689</u>	<u>1,797</u>	<u>2,486</u>
Cash	4,843	(1)	4,843
Equity instruments (473,130 ordinary shares)	3,197	(1),(2)	3,099
<b>Total consideration</b>	<u>8,040</u>	<u>(98)</u>	<u>7,942</u>
<b>Goodwill on acquisition</b>			<u>5,456</u>

(1) Fair value of consideration paid, based on exchange rate of £1:\$1.6303.

(2) In accordance with IFRS 3 Business Combinations (revised 2008) the fair value adjustment to consideration paid in shares is based on the difference between the share price at the date on which the company obtained control of accesso and the price determined in the Membership Interest Purchase Agreement for calculating the number of shares to be issued to the vendors.

The goodwill and intangible assets recognised do not attract tax deductions under the applicable local tax jurisdictions as this classified as a stock acquisition for US tax purposes.

**Notes to the consolidated financial statements (continued)**  
**for financial period ended 31 December 2013**

**Acquisition of Siriusware, Inc. (continued)**

The main factors leading to the recognition of goodwill are the presence of certain intangible assets, such as the assembled workforce of the acquired entity and the expected synergies of the enlarged group which do not qualify for separate recognition.

**The net cash outflow in the year in respect of acquisition comprised:**

	Fair Value £000
Cash paid	(4,843)
Net cash acquired	<u>805</u>
 Total cash outflow in respect of acquisition	 <u><u>(4,038)</u></u>

**Impairment tests for goodwill**

Details of goodwill allocated to acquired cash generating units is as follows:

	<b>Goodwill carrying amount</b>	
	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>
Acquired cash generating unit: accesso, LLC.	<b>4,785</b>	-
Acquired cash generating unit: Siriusware, Inc.	<b>5,456</b>	-

The recoverable amounts of all the CGU's have been determined from value in use calculations based on cash flow projections based on budget and forecast projections and assumes a perpetuity based terminal value.

The key assumptions used for value in use calculations in 2013 are as follows:

	<b>2013</b>	<b>2013</b>
	<b>Accesso, LLC.</b>	<b>Siriusware, Inc.</b>
	<b>%</b>	<b>%</b>
Pre tax discount rate	<b>19.6</b>	<b>19.6</b>
Average operating margin	<b>22.0</b>	<b>11.0</b>
Terminal growth rate	<b>3.0</b>	<b>3.0</b>

Operating margins have been based on past experience, where possible, and future expectations in the light of anticipated economic and market conditions. Discount rates are based on the group's WACC adjusted to reflect management's assessment of specific risks related to the cash generating unit. Growth rates beyond the formally budgeted period are based on economic data pertaining to the region concerned.

Due to close proximity of the value in use calculations to the acquisitions, the headroom is invariably not significant and therefore relatively small changes to any of the assumptions above would result in such headroom being reduced to zero.

Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013

11. Property, plant and equipment

Group	Installed systems £000	Plant, Machinery & office equipment £000	Furniture & fixtures £000	Leasehold improvements £000	Totals £000
<b>Cost</b>					
At 1 November 2011	551	322	151	-	1,024
Additions	1,630	11	1	-	1,642
At 4 November 2012	2,181	333	152	-	2,666
Foreign currency translation	-	(16)	(3)	(6)	(25)
Acquired with subsidiaries	-	518	122	263	903
Additions	504	143	219	18	884
<b>At 31 December 2013</b>	<b>2,685</b>	<b>978</b>	<b>490</b>	<b>275</b>	<b>4,428</b>
<b>Depreciation</b>					
At 1 November 2011	243	257	46	-	546
Charged	602	41	26	-	669
At 4 November 2012	845	298	72	-	1,215
Foreign currency translation	-	(9)	(1)	(1)	(11)
Acquired with subsidiaries	-	317	74	34	425
Charged	623	97	75	18	813
<b>At 31 December 2013</b>	<b>1,468</b>	<b>703</b>	<b>220</b>	<b>51</b>	<b>2,442</b>
<b>Net book value</b>					
<b>At 4 November 2013</b>	<b>1,217</b>	<b>275</b>	<b>270</b>	<b>224</b>	<b>1,986</b>
At 4 November 2012	1,336	35	79	-	1,450
<b>Company</b>					
<b>Cost</b>					
At 1 November 2011	538	220	147	-	905
Additions	1,630	8	-	-	1,638
At 4 November 2012	2,168	228	147	-	2,543
Additions	427	41	-	-	468
<b>At 31 December 2013</b>	<b>2,595</b>	<b>269</b>	<b>147</b>	<b>-</b>	<b>3,011</b>
<b>Depreciation</b>					
At 1 November 2011	230	178	42	-	450
Charged	602	28	26	-	656
At 4 November 2012	832	206	68	-	1,106
Charged	593	23	30	-	646
<b>At 31 December 2013</b>	<b>1,425</b>	<b>229</b>	<b>98</b>	<b>-</b>	<b>1,752</b>
<b>Net book value</b>					
<b>At 31 December 2013</b>	<b>1,170</b>	<b>40</b>	<b>49</b>	<b>-</b>	<b>1,259</b>
At 4 November 2012	1,336	22	79	-	1,437

**Notes to the consolidated financial statements (continued)**  
for financial period ended 31 December 2013

**12. Investments**

**Investment in subsidiaries**

<b>Company</b>	<b>2013</b>
	<b>£000</b>
<b>Cost</b>	
At 1 November 2011, 5 November 2012	1
Additions	<u>9,010</u>
At 31 December 2013	<u><b>9,011</b></u>
<b>Net book value</b>	
At 4 November 2012	<u>1</u>
At 31 December 2013	<u><u><b>9,011</b></u></u>

<b>Name</b>	<b>Country of incorporation</b>	<b>% Effective Ownership interest</b>	<b>% Voting rights</b>
Lo-Q, Inc.	United States of America	100	100
Lo-Q Service Canada Inc	Canada	100	100
Lo-Q (Trustees) Limited	United Kingdom	100	100
Lo-Q Ltd	United Kingdom	100	100
Accesso, LLC.	United States of America	100	100
Siriusware, Inc.	United States of America	100	100

accesso, LLC. and Siriusware, Inc. are 100% owned by Lo-Q, Inc..

The trade for both Lo-Q, Inc. and Lo-Q Service Canada Inc is that of the application of virtual queue technologies. The trade of accesso, LLC. is that of the application of ticketing mobile and eCommerce technologies. The trade for Siriusware, Inc. is that of ticketing and point-of-sale software solutions.

Lo-Q (Trustees) Limited operates an employee benefit trust on behalf of accesso Technology Group plc to provide benefits in accordance with the terms of a joint share ownership plan. Further details of this can be found on page 19.

**13. Inventories**

	<b>Group</b>		<b>Company</b>	
	<b>2013</b>	<b>2012</b>	<b>2013</b>	<b>2012</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Stock	<b>403</b>	375	<b>200</b>	177
Park Installation	<u><b>84</b></u>	<u>81</u>	<u><b>82</b></u>	<u>-</u>
	<u><u><b>487</b></u></u>	<u><u>456</u></u>	<u><u><b>282</b></u></u>	<u><u>177</u></u>

The amount of inventories recognised as an expense and charged to the cost of sales for the period ended 31 December 2013 was £160,642 (2012 £40,177). The park installation balance includes equipment installed at a theme or water park on a trial basis. This trial has subsequently been converted to a contracted installation post the balance sheet date.

Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013

14. Trade and other receivables

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Current:				
Trade debtors	1,235	315	49	315
Amounts owed by group undertakings	-	-	13,733	4,361
Social security and other taxes	-	-	7	-
Other debtors	538	24	21	19
VAT	23	-	25	-
Prepayments and accrued income	771	694	66	50
	<u>2,567</u>	<u>1,033</u>	<u>13,901</u>	<u>4,745</u>

The group's financial assets are short term in nature. In the opinion of the directors, the book values equate to their fair value.

15. Cash and cash equivalents

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Petty cash	1	2	1	2
Short term deposit	-	4,639	-	4,639
Bank accounts	3,311	4,273	1,773	1,498
	<u>3,312</u>	<u>8,914</u>	<u>1,774</u>	<u>6,139</u>

Lloyds Bank plc holds security in the form of a debenture, including a fixed charge over the freehold and leasehold property and a first floating charge over the other assets of the group.

16. Trade and other payables

	Group		Company	
	2013	2012	2013	2012
	£000	£000	£000	£000
Current:				
Trade creditors	257	87	115	62
Social security and other taxes	3	41	-	4
Sundry creditors	282	5	-	-
Accruals and deferred income	2,707	609	393	341
VAT	-	22	-	18
	<u>3,249</u>	<u>764</u>	<u>508</u>	<u>425</u>

The group financial liabilities are short-term in nature. In the opinion of the directors the book values equate to their fair value.

Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013

17. Deferred taxation

Group	Asset £000	Liability £000
At 4 November 2012	284	(43)
Charged to income	104	(197)
Charged directly to equity	677	-
Business combinations	2,880	(1,293)
<b>At 31 December 2013</b>	<b>3,945</b>	<b>(1,533)</b>

Company	Asset £000	Liability £000
At 31 October 2011 and 4 November 2012	284	(43)
Charged to income	16	(28)
Charged directly to equity	137	-
<b>At 31 December 2013</b>	<b>437</b>	<b>(71)</b>

Deferred taxation

The following table summarises the recognised deferred tax asset and liability.

Group	2013 £000	2012 £000
<b>Recognised asset</b>		
Tax relief on unexercised employee share options	1,002	283
Losses and other deductions	19	-
Short term timing differences	58	1
Business combinations	2,866	-
<b>Deferred tax asset</b>	<b>3,945</b>	<b>284</b>
<b>Recognised liability</b>		
Depreciation in excess of capital allowances	255	(43)
Business combinations	1,278	-
<b>Deferred tax liability</b>	<b>1,533</b>	<b>(43)</b>
<b>Company</b>	<b>2013 £000</b>	<b>2012 £000</b>
<b>Recognised asset</b>		
Tax relief on unexercised employee share options	417	283
Losses and other deductions	19	-
Short term timing differences	1	1
<b>Deferred tax asset</b>	<b>437</b>	<b>284</b>
<b>Recognised liability</b>		
Depreciation in excess of capital allowances	71	(43)
<b>Deferred tax liability</b>	<b>71</b>	<b>(43)</b>

Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013

18. Borrowings

	Group		Company	
	2013 £000	2012 £000	2013 £000	2012 £000
Bank loans	<u>4,525</u>	<u>-</u>	<u>4,525</u>	<u>-</u>
	<u>4,525</u>	<u>-</u>	<u>4,525</u>	<u>-</u>

On 11 February 2013 entered into a US dollar debt facility with Lloyds Bank plc and extended this facility on 4 December 2013. The facility has a four year term and the maximum available for drawdown, together with the respective rates for borrowings and unutilised elements of the facility are:

Group – available facility

	4 December 2013 to 3 December 2014	3 December 2014 to 3 December 2015	3 December 2015 to 3 December 2016	3 December 2016 to 3 December 2017	Margin above LIBOR	Commitment rate
	\$000	\$000	\$000	\$000	%	%
Tranche A	7,500	7,500	6,750	3,750	1.5	0.6
Tranche B	5,250	2,250	-	-	2.0	0.8
	<u>12,750</u>	<u>9,750</u>	<u>6,750</u>	<u>3,750</u>		

Tranche A is fully repayable in December 2017 and Tranche B is fully repayable in December 2015.

19. Called up share capital

	Allotted issued and fully paid			
	2013 Number	2013 £000	2012 Number	2012 £000
Ordinary shares of 1p each				
Opening balance	17,528,960	175	17,170,140	172
Issued for acquisitions	2,275,376	23	-	-
Issued in relation to exercised share options	398,675	4	358,820	3
	<u>20,203,011</u>	<u>202</u>	<u>17,528,960</u>	<u>175</u>
Closing balance				

On 4 December 2012, the group issued 1,802,246 shares, with a nominal value of £18,022.46, in respect of the acquisition of accesso, LLC., with a fair value of £5.9m (£3.28 per share). On 4 December 2013, the group issued 473,130 shares, with a nominal value of £4,731, in respect of the acquisition of Siriusware, Inc., with a fair value of £3.1m (£6.55 per share).

Also, during the period 398,675 shares, with a nominal value £3,987 were allotted following the exercise of share options.

Following the adoption of new Articles of Association on 12 April 2011 the company no longer has an authorised share capital.

**Notes to the consolidated financial statements (continued)**  
**for financial period ended 31 December 2013**

**Share option schemes**

At 31 December 2013 the following share options were outstanding in respect of the ordinary shares:

Scheme	Number of Shares	Period of option	Price per share
EMI scheme	3,000	25 June 2010 to 24 June 2019	57.5p
	110,000	2 December 2011 to 1 December 2020	102.5p
	55,235	24 June 2013 to 23 June 2021	179p
	108,744	30 November 2014 to 29 November 2022	323.5p
	31,500	25 April 2015 to 24 April 2023	600p
US unapproved scheme	40,000	(1)	57.5p
	160,000	10 March 2012 to 9 March 2021 (2)	156p
US scheme	32,370	24 June 2013 to 23 June 2021	179p
	26,216	30 November 2014 to 29 November 2022	323.5p
	190,250	25 April 2015 to 24 April 2023	600p
UK unapproved scheme	120,000	10 March 2012 to 9 March 2021	156p
	69,444	18 April 2012 to 17 April 2021	144p
	30,400	25 April 2015 to 25 April 2023	600p

(1) Options vested in three equal tranches on the 25 June 2010, 2011 and 2012 and expire on the 10<sup>th</sup> anniversary of the grant.

(2) Options may only be exercised when the share price is above £1.82.

Options normally vest over a two or three year period from grant and lapse if the employee leaves employment.

**20. Reserves**

The following describes the nature and purpose of each reserve within equity:

<b>Reserve</b>	<b>Description and purpose</b>
Share premium:	Amount subscribed for share capital in excess of nominal value.
Own shares held in trust:	Weighted average cost of own shares held by the EBT trust.
Other reserve:	Reserve to account for share option equity based transactions.
Retained earnings:	All other net gains and losses and transactions not recognised elsewhere.
Translation reserve:	Gains/losses arising on retranslating the net assets of overseas operations into sterling.



**Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013**

**21. Pension commitments**

The group operates a defined contribution pension scheme in the UK and USA. The assets of each scheme are held separately from those of the group in an independently administered fund. The pension charge represents contributions payable by the group to the fund and amounted to £135,019 (2012 - £92,757). Contributions amounting to £nil (2012 - £nil) were payable to the fund and are included in creditors.

**22. Related party disclosures**

***Ultimate controlling party***

There is no ultimate controlling party.

***Subsidiaries***

Management charges of £4,097,214 (2012 - £4,809,169) were received from Lo-Q, Inc. and £113,581 (2012 - £305,721) from Lo-Q Service Canada Inc. during the period, both 100% subsidiaries of accesso Technology Group plc.

The parent company owned subsidiary Lo-Q, Inc. £85,196 at 31 December 2013 (subsidiary Lo-Q, Inc. owed the parent £2,640,493 in 2012). Subsidiary Lo-Q, Inc. owed accesso, LLC. and Siriusware, Inc. subsidiaries £929,957 and £140,342 respectively at 31 December 2013 (£nil in 2012) and subsidiary Lo-Q Service Canada Inc owed the parent company £426,535 (2012 - £388,363).

Lo-Q (Trustees) Limited owed the parent company £1,331,956 at 31 December 2013 (2012 - £1,331,956).

***Other related parties***

IXXI Limited, a company in which Anthony Bone, an accesso Technology Group plc director, is a director invoiced the company in respect of directors fees £30,500 (2012 - £30,000) of which £2,000 (2012 - £2,500) was outstanding at the period end.

Barnwell Limited, a company in which John Lillywhite, an accesso Technology Group plc director until 1 September 2012, is a director invoiced the company in respect of directors fees £nil (2012 - £25,000) of which £nil (2012 - £nil) was outstanding at the period end.

Rockspring, a company in which David Gammon, an accesso Technology Group plc director, is a director invoiced the company in respect of directors fees £30,500 (2012 - £30,000) of which £2,000 (2012 - £2,500) was outstanding at the period end.

Matt Cooper, an accesso Technology Group plc director, invoiced the company in respect of directors fees £30,500 (2012 - £4,950) of which £2,000 (2012 - £4,950) was outstanding at the period end.

All of the above outstanding amounts are included within trade creditors.

Maven Creative, LLC., a company in which Steve Brown, an accesso Technology Group plc director, is a director and has a 33% interest, invoiced the group £23,090 in respect of marketing services since being a group director on 5 December 2012 of which £6,998 was outstanding at the period end.

**Notes to the consolidated financial statements (continued)**  
**for financial period ended 31 December 2013**

**Related party disclosures (continued)**

**Key management compensation**

The key management of the company staff are considered to be the directors and their remuneration is as follows:

	<b>2013</b>	2012
	<b>£000</b>	£000
Directors' remuneration	<b>1,151</b>	711
Contribution to directors pension scheme	<b>47</b>	39
Employer social security costs	<b>82</b>	61
Share based payments	<b>8</b>	57
	<b><u>1,288</u></b>	<u>868</u>

**23. Share-based payment transactions**

Equity settled share option schemes. For details of share option schemes in place during the period see note 19. Details of the number of share options and the weighted average exercise price (WAEP) outstanding during the period are as follows:

	<b>2013</b>		<b>2012</b>	
	<b>No</b>	<b>WAEP(pence)</b>	No	WAEP(pence)
Outstanding at the beginning of the period	<b>1,019,944</b>	<b>115.79</b>	1,364,244	94.98
Granted during the period	<b>413,772</b>	<b>498.51</b>	15,000	191.50
Exercised during the period	<b>(398,675)</b>	<b>73.28</b>	(358,820)	39.74
Leavers, lapsed & other	<b>(57,882)</b>	<b>295.38</b>	(480)	179.00
Outstanding at the end of the period	<b><u>977,159</u></b>	<b><u>284.56</u></b>	<u>1,019,944</u>	<u>115.79</u>
Exercisable at the end of the period	<b><u>590,049</u></b>	<b><u>140.85</u></b>	<u>785,944</u>	<u>53.53</u>

The exercise price of options outstanding at 31 December 2013 range between 57.5p and 600.0p (2012 – 3.5p and 191.5p) and their weighted average contractual life was 9 years (2012 - 9 years).

The weighted average share price at the date of exercise for share options exercised during the period was £5.85 (2012 - £2.75).

The fair values were calculated using the Black-Scholes valuation method. The inputs to the model were as follows:

	<b>2013</b>	2012
Weighted average share price (pence)	<b>584.88</b>	275.18
Expected volatility %	<b>38.00</b>	37.00
Expected life years	<b>1.00</b>	1.00
Risk free rate (%)	<b>1.00</b>	1.00
Dividend yield (%)	-	-

The group did not enter into any share-based payment transactions with parties other than employees during the current or previous period.

Expected volatility was determined by calculating the historic volatility of the groups share price over the previous twelve month period. Expected life is based on the groups assessment of the average life of the option following the vesting period. The market vesting condition was factored into the valuation of shares issued under the EBT trust as explained on page 19.

Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013

24. Notes to cash flow – reconciliation of profit before tax to cash generated from operations

Group	2013	2012
	14 Months £000	12 Months £000
Profit before tax	2,220	3,153
Depreciation and amortisation charges	2,407	1,072
Share based payment	112	84
Foreign exchange	(474)	(85)
Finance costs	160	-
Finance income	(9)	(59)
	<u>4,416</u>	<u>4,165</u>
(Increase)/decrease in inventories	(31)	39
Decrease in trade and other receivables	134	102
Increase/(decrease) in trade and other payables	<u>155</u>	<u>(243)</u>
<b>Cash generated from operations</b>	<b><u>4,674</u></b>	<b><u>4,063</u></b>

  

Company	2013	2012
	14 Months £000	12 Months £000
Profit before tax	620	2,885
Depreciation charges	1,164	1,059
Share based payment	112	84
Foreign exchange	(2)	-
Finance costs	139	-
Finance income	(9)	(60)
	<u>2,024</u>	<u>3,968</u>
Increase in inventories	(105)	(90)
Increase in trade and other receivables	(9,156)	(1,291)
Increase/(decrease) in trade and other payables	<u>83</u>	<u>(211)</u>
<b>Cash generated from operations</b>	<b><u>(7,154)</u></b>	<b><u>2,376</u></b>

Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013

Reconciliation of net cash flow to movements in net funds and analysis of net funds

The amounts disclosed on the cash flow statement in respect of cash and cash equivalents are in respect of these balance sheet amounts.

Group	At 5 November 2012 £000	Cash flow 14 Months £000	Exchange movement 14 Months £000	At 31 December 2013 £000
Cash in hand & at bank	8,914	(5,128)	(474)	3,312
	<u>8,914</u>	<u>(5,128)</u>	<u>(474)</u>	<u>3,312</u>
Company	At 5 November 2012 £000	Cash Flow 14 Months £000	Exchange movement 14 Months £000	At 31 December 2013 £000
Cash in hand & at bank	6,139	(4,363)	(2)	1,774
	<u>6,139</u>	<u>(4,363)</u>	<u>(2)</u>	<u>1,774</u>

Notes to the consolidated financial statements (continued)  
for financial period ended 31 December 2013

25. Commitments under operating leases

Total of future minimum operating lease payments under non-cancellable operating leases:

Group	2013 £000	2012 £000
<b>Land &amp; buildings</b>		
Less than one year	261	91
Within 2 to 5 years	<u>720</u>	<u>197</u>
	<u>981</u>	<u>288</u>
<b>Other</b>		
Less than one year	71	23
Within 2 to 5 years	<u>137</u>	<u>18</u>
	<u>208</u>	<u>41</u>
<b>Company</b>		
<b>Land &amp; buildings</b>		
Less than one year	68	60
Within 2 to 5 years	<u>66</u>	<u>145</u>
	<u>134</u>	<u>205</u>
<b>Other</b>		
Less than one year	32	18
Within 2 to 5 years	<u>22</u>	<u>7</u>
	<u>54</u>	<u>25</u>

Operating leases within 'Land & buildings' include the leases of company and group offices.